

Twin Harbors Property Owners Association, Inc.
Board of Directors Meeting
May 14, 2011

Directors Present:

Fred Alderman, Joseph Polizzi, Jim Wilder, Robert Zbranek, and B. Milton (Chip) Choate

Directors Absent:

Jack Cumpton, Shana Derouen, and Jim Wyckoff

Guests Present:

Laurie Schultz, Office Manager

Bill Belcher, Pat Casey, Dwayne Daussin, Travis Kitchens, and Don Uptegraph for Open Forum.

Fred Alderman, President, called the meeting to order at 9:07 AM. Joseph made a motion to approve the agenda, the motion was seconded and was approved. Robert made a motion to approve the minutes for the April 9th board meeting, the motion was seconded and was approved.

Correspondence:

None

Open Forum:

Dwayne Daussin attended Open Forum; however, Dwayne, not being a Twin Harbor property owner, is ineligible to attend and was requested to withdraw from the meeting.

Bill Belcher, Pat Casey, Travis Kitchens, and Don Uptegraph attended Open Forum to review and discuss with the board the proposed changes and modification to the Deed Restrictions and By-Laws. Travis Kitchens is identified as attorney for THPOA and Bill Belcher, Pat Casey, and Don Uptegraph are identified as Twin Harbor property

owners who have been elected to serve as non-board members of the Deed Restriction Committee.

Travis Kitchens provided the board with a short historical perspective of Texas Real Estate law, more specifically as the law relates to homesteads and property owner associations.

Texas has some of the strongest, if not the strongest laws protecting homesteads in the entire nation. When restrictions have been placed on property, restrictions can only be changed if the restrictions provide for a procedure to change the restrictions and that procedure is strictly followed.

The Deed Restrictions for Twin Harbors provide for a procedure to change the deed restrictions. To change or amend Twin Harbor Deed Restrictions in each section, a simple majority (>50%) of property owners in each section must approve the new Deed Restrictions. Travis provided other recommendations for the amending process that are in line with those in his book on Texas Property Owner's Association.

Travis suggested the amended Deed Restrictions for Twin Harbors provide that future Deed Restriction changes or amendments may be made at an Annual Meeting or Special Meeting of property owners with changes or amendments approved by a majority of property owners in good standing provided prior notice is given that a vote will be taken regarding the change or amendment of Deed Restrictions. Also suggested for inclusion is consolidating current six (6) Deed Restrictions into one (1) document to more centrally define the authority of the Association, plus including in the Deed Restrictions the right to access and collect Special Assessment Fees.

Travis initiated a discussion of subordination of POA lien to a Mortgagee. It was agreed to include in the Bylaws a POA lien subordination procedure to request, review, and grant if applicable a lien subordination requested by a Mortgagee.

Travis initiated a discussion of Twin Harbor lot and home statistics. There are seven hundred and two (702) lots in Twin Harbors with one hundred and fifty-six (156) single family dwellings and forty-seven (47) trailer homes. Seven (7) homes are under construction. The seven hundred and two (702) lots are owned by three hundred and ninety-one (391) separate owners.

Travis initiated a discussion of a severability clause for the Deed Restrictions. A severability clause states that if portions of the Deed Restrictions are held to be illegal

or unenforceable, the remainder of the Deed Restriction will still apply. It was determined that the Deed Restrictions should contain a severability clause.

A discussion was held of what constituted a quorum at any meeting of the members. Robert pointed out that Twin Harbor Bylaws Article 3.06 states that the presence in person or proxy of 25 of the Members in good standing shall constitute a quorum to transact business. It was determined that a specific section on quorum should be included in the Deed Restrictions.

Pat initiated a discussion of concurrently preparing new Deed Restrictions with minimum amendments and preparing new Bylaws to affect other issues which require more urgent and immediate attention. Proposed new Deed Restrictions and new Bylaws should be compiled and furnished to property owners for discussion and action at the October 15, 2011 Annual Meeting.

Pat initiated a discussion of building an outbuilding within Twin Harbors. A previous board approved the construction of an outbuilding despite a prohibition in the deed restrictions against construction of an outbuilding. Pat asked if that specific deed restriction had been voided by the action of a previous board. The approval of an outbuilding does not void that deed restriction. Robert and Don queried Travis relative to the language in Article 12 of Twin Harbor Deed Restrictions which appears to restrict an outbuilding from being used as a residence but does not specifically prohibit outbuildings. Travis reflected that Article 8 restricts construction on residential tracts outside of the mobil home section to single family dwellings: "No building shall be erected, altered, placed or permitted to remain on any residential tract other than one detached single family dwelling and private garage for not more than three cars", has legal precedence over the interpretations possible in the general statements made in Article 12.

Policies and procedures approved by a specific board should be addressed and referenced in the Bylaws. The Bylaws should clearly state that at the first board meeting for a new year, all policies and procedures shall be presented to each board member. All boards are to be required to follow policies and procedures that have been become a part of the Bylaws.

Travis was instructed by the Board to prepare a suggested version of a bare bones amended Deed Restriction, a version with several workable amendments, and a version with all possible amendments and changes. The board prefers to consolidate all six (6) Deed Restrictions into one (1) document. The majority of changes and amendments

shall be placed into the Bylaws. Travis will provide Pat with the proposed versions and Pat will prepare amended proposed Deed Restrictions and Bylaws.

Closed Session:

None.

Financial Report:

Chip reported the following bank balances as of end of March, 2011.

Account	Balance
THPOA - Regular Checking	\$41,467.90
THPOA - Special Assessment Checking	32,457.84
TOTAL	\$73,871.19

A listing of checks paid in April 2011 was reviewed and specific items were discussed.

Robert made a motion to approve the financials, the motion was seconded and approved.

Old Business:

Robert reported that materials for the boat ramp gate have been promised for delivery on Monday. If the materials are not delivered Monday, Robert asked for permission to purchase materials. Chip made a motion authorizing Robert to purchase materials for the boat ramp gate, if the materials are not delivered Monday. In addition, Robert is authorized to obtain bids. Robert will contact board members during the next couple of weeks to review bid proposals and obtain approval for construction. The motion was seconded and approved.

New Business:

Chip made a motion authorizing Robert to obtain bids for the replacement of the boat pier and for replacing the adjacent bulk head on Association property. The motion was seconded and approved.

Chip made a motion authorizing Pat to prepare a proposed Deed Restriction and proposed Bylaw for the Board to review. These documents will be presented at the June 11th Board meeting. The motion was seconded and approved.

Jim Wilder made a motion to adjourn the meeting. The motion was seconded and approved.

The meeting was adjourned at 11:10 AM. Next meeting is scheduled for June 11, 2011.

Respectfully submitted,

B. Milton (Chip) Choate
Secretary