

MINUTES OF PROPERTY OWNERS' ASSOCIATION OF SUNSET BAY, INC.  
Annual Meeting of the Sunset Bay Members  
Saturday, August 2, 2025  
[www.sunsetbaypoa.org](http://www.sunsetbaypoa.org)

The Annual Meeting of the Sunset Bay Members was held Saturday, August 2, 2025, at The Inn at Fulton Harbor, located at 215 N Fulton Beach Rd, Fulton, TX 78358. The meeting was called to order at 1:10 pm.

Directors in attendance were Betty Cook, and Gary Sequeira, and Matt Ocker.

- A. Call roll, certify proxies, and establish quorum – accomplished without objection
- B. Proof of notice of meeting or waiver of notice – attendees were asked if anyone had not received proper notice of the Meeting. No objections raised.
- C. Reading and disposal of any unapproved minutes - none

Attorney Andrew Schuster addressed the attendees with a general overview of the legal structure and history of Sunset Bay, explaining the application of the CCRs and the role of the Board to enforce the CCRs. Matt offered to have Andrew answer any general questions regarding Sunset Bay.

Susan Ocker asked for confirmation that Members were provided notice of the CCRs.

James Warren asked about the reason why no CCR Amendment Committee was formed.

Matt said the Committee was not formed because of legal advice.

Several Members questioned why they were not granted access to attorney-client communications.

There were a few comments made regarding legal fees.

Matt introduced the ACC Members.

Matt explained the intake and consideration process for the ACC. Matt said that during his tenure on the Board, there has always been a 3 Member ACC, and there had never been a 3 Member ACC prior. Debbie Ortiz said there was always a 3 Member ACC. Matt produced emails proving that Board Members were approving projects in late 2021, in violation of the Texas Property Code.

Matt then said that Debbie testified under oath that for years the ACC was elected by the Members, but that is not true.

Matt then introduced a Power Point presentation, which included an overview of the duties of the Board.

Matt addressed several accusations brought by Members against the Board.

Matt made comments about the reasoning behind the Board's decision to counter sue the Dittrichs, including the fact that statutory damages can be pled.

Matt then explained that Texas law does not mandate that the ACC is elected by the Membership. Matt went on to explain that the language in the CCRs referencing such an election has been taken out of context.

Matt said the benefit of the current litigation is that the questions regarding vertical siding and ACC formation will be answered.

Matt then spoke about the recent complaints from some Members with regard to the New Home Construction Application. He said the Application has not been changed by the current Board.

Windstorm – Matt said he is incredulous that the requirement of Windstorm engineering has drawn criticism. Matt said he cannot fathom why it is controversial to require Windstorm.

Rey Cabello asked whether the state or County require Windstorm. Matt said the County permitting does not have any followup provisions.

Mr. Cabello said he can't see someone building a house in Sunset Bay without permits. Betty responded that there had been houses built in Sunset Bay without permits.

Matt said the Windstorm requirement is rooted in the "good construction" requirement in the CCRs. Matt said there have been complaints from some Members that the Board has required a Drainage Plan. Matt cited the requirement of a Drainage Plan in the CCRs, and explained that it is a very simple document, consisting of a Site Plan and arrows indicating water flow away from the lot.

Matt addressed absentee voting, stating that he felt it was unfair that the previous Board had mailed out ballots with their own names on them. Matt said he thinks the people in attendance at the Annual Meeting should have the opportunity to place candidates in nomination, and an absentee ballot would hinder that process. Matt also mentioned Sec. 4.05 of the By-laws, which, by virtue of mandating voting in person or by proxy, prohibit the use of absentee voting.

Matt then explained that there has been a lot of confusion surrounding the issue of siding. Hardie is a company that makes products. One of the products Hardie makes is HardiePlank, which is a horizontal lap siding. The vertical board and batten product is called HardiePanel. There is no such thing as vertical HardiePlank.

Melissa Warren asked about the increased insurance premiums, claiming the Board had increased coverage for itself.

Betty responded that no coverage changes had been made.

Tim Raub spoke to the Membership about what D&O Insurance covers.

Melissa Warren again asked about increased coverage.

Betty explained that the insurance policy has not been altered in years.

Matt stated that the current lawsuit was the second one he was aware of involving Sunset Bay. The other case went to the Texas Supreme Court and is a pretty big case in Texas Property Law. Matt asked Tim Raub if he countersued Mr. Schack.

Tim Raub said Mr. Schack sued the POA and Tim personally.

Again, Matt asked if Tim countersued. Tim said he did, in order to collect attorney fees.

Betsy Hesseltine asked how Tim ended up with Mr. Schack's property, rather than the POA.

Tim said the POA had insurance, but that he had to pay \$250,000 in legal fees out of his pocket.

Debbie Ortiz said the previous Board allowed vertical siding in November 2020. She went on to say that she is concerned about mounting legal costs.

Matt said that vertical siding was only allowed by the previous Board for a period of roughly five years, out of the eighteen year history of Sunset Bay. Matt also stated that at the July Meeting, Board Member Ashley Clubb relayed that she was told she could not build with vertical siding, sometime in 2019 or 2020. Matt said he has no issue with vertical siding, but the CCRs very clearly state "no vinyl, aluminum, or vertical siding."

Matt said that Debbie stated in her deposition that she thinks that provision contains a typo, and that the Board can simply amend the typo. Matt pointed out that the CCRs clearly name the four acceptable building materials, so there would be no reason to specifically prohibit vertical vinyl and/or vertical aluminum siding. Matt said the Board is not empowered to correct typos. That right was solely reserved by the Developer.

Debbie Ortiz interrupted again, making the claim that the By-laws empower the Board to consider additional, newer building materials as permissible.

Todd Cuell Stated that the Board made choices to approve individual homes, which they should not have done. He stated the Board should have engaged the process of amending the CCRs. He stated that when he and his wife were considering purchasing in Sunset Bay, they read and understood the CCRs. He said

the allowances made by previous Boards do not have to be allowed to continue. Mr. Cuell stated the CCRs are binding.

Betty said she built according to the CCRs. She said she engaged the Board regarding their failure to comply with the CCRs. She had to hire an attorney and attend a Hearing. Betty said she deliberated for weeks, and ultimately decided not to pursue legal remedies.

Betty mentioned the anti-lapse provision contained in the CCRs.

Betty said the previous Board tried to amend the CCRs, as has Melissa Warren, and both efforts have failed.

Melissa Warren asked if she could address the Members.

Matt asked if anyone else wished to be heard. Mr. Aguilar asked if the CCRs could be amended. Matt responded by explaining it would require 103 positive votes to amend the CCRs.

Matt produced the CCR Amendment Ballot from 2022, indicating two proposals.

Matt said it is odd that the previous Board President made the claim that vertical siding was allowed as of 2020, but then initiated an Amendment effort in 2022 to allow vertical siding.

Matt said he would like to see the CCRs reviewed by a group of Members that are not singularly self-interested.

Todd Cuell asked if the two people who initiated the CCR Amendment efforts had violations. Matt responded that one of them had what was potentially a violation at one time, and the other was the litigant in the current lawsuit.

Darlene Wall stated she has a lot in Sunset Bay, and she would like to be part of the solution.

Richard Couch said he had been a Member for about a year, and asked how many CCRs had been amended. Betty responded no changes have ever been made.

Lori O'Riley stated that she would like people to understand the process of amending the CCRs is very difficult. Lori asked Matt to clarify the difference between restrictions and policies.

Matt answered that if the CCRs anticipated and contemplated every single occurrence in the future, they would be extremely voluminous. Matt explained that policies assist with explaining and clarifying the CCRs. Matt used the example of the Construction Policy provision that determines when the "one year construction" window begins. The CCRs do not instruct on when that date commences, but simply states construction must be completed within one year. The Board determined and set forth in policy that the commencement date for slab homes is the day the slab is poured, and the commencement date for stilted homes is the day the pilings are set.

Matt said some of the lots are mandated by the CCRs to have shared driveways. Matt said no one could offer guidance on the reason for that provision, so he contacted TxDOT and asked if they mandated it. Matt was told by TxDOT that they had no such mandate.

Matt said the Board endeavors to be reasonable, but it does not have the authority to ignore the CCRs.

Richard Couch asked how the Board was getting around the shared driveway requirements, and Matt said he was told by TxDOT that the POA had no authority for the location of culverts on Hwy 188.

Matt then spoke about the prohibition of crossing the ditches where there is not a culvert, citing the issues that creates because of the clay content of the soil.

Betsy Hesseltine mentioned that the new house next to her home keeps quite a few lights on every night.

Matt said some issues raised by Members are not Board issues.

The proxies were then certified by Stacy Manlove – 50 total proxies and 86 total votes.

Tim Raub then asked if he could address the Members. Tim said he was on the Board for 11 years, and he appreciates the thankless job that the Board Members do.

Tim said he thinks the entire POA has been victimized by the aggressive billing of the law firm.

Tim said the CCRs are terrible. Tim proposed the lawsuit be put on hold, and all efforts be directed to amending the CCRs.

Tim said he wants anyone seeking a Board position to commit to amending the CCRs. He said anyone who doesn't do that will not get his vote.

Someone asked about mother-in-law suites.

Tim added that the money and energy put toward the lawsuit could be put toward changing the CCRs.

Matt said Tim makes a good proposition, but before he would commit to any such action, he would require a binding contract that if an effort is undertaken, it will not be done so again for at least five years.

Matt said there cannot be a serious effort undertaken until the defamation stops.

Jennifer Gordon said people need to be respectful.

Betty said there have been many accusations, and she was interrupted by several other people.

Matt then asked Andrew Gordon to leave the Meeting because he was making comments to Matt that others could not hear. Chaos then erupted.

Richard Couch made a comment that he is a Teamster, and this Meeting was as bad or worse.

Melissa Warren then took the floor to once again state her case for why she should be allowed to violate the CCRs by selling her house with a detached structure advertised as a living space.

Melissa claimed the following results of her CCR Amendment Election:

Proposition 1 – Repeal of the earth tome requirement

For – 58 Against – 15

Proposition 2 – Allowing Vertical Siding

For – 65 Against – 9

Proposition 3 – Allowing Real Estate signs on unimproved lots

For – 68 Against – 6

Proposition 4 – Allowing One Mother in Law Suite

For – 67 Against – 7

Proposition 5 – Detached Structure Exterior Siding

For – 62 Against – 12

Proposition 6 – Barns

For – 56 Against – 16

Proposition 7 – Pier Use

For – 58 Against – 26

Melissa's presentation lasted approximately 15 minutes.

Matt pointed out that what was approved by the previous Board was not a living space.

Betty followed up that there was a single reference to an "art studio" on the Application. Betty then showed pictures of what the inside of the Warren detached garage looked like when the Warrens purchased. Betty said all the Board asked the Warrens to do was alter their listing to not reflect the detached building as a living space.

Mr. Aguilar said he agreed with Tim Raub.

Melissa Dittrich claimed that the Board is unreasonable and left things off the Lawsuit Timeline that was disseminated to the Members. Someone asked Mrs. Dittrich if she had read the CCRs. She indicated she had, "over and over." She was then asked if vertical siding was permissible. She then went on a tangent about whether brick could be stacked vertically.

Matt responded that brick is a façade; not a siding material. He went on to state that she said the same thing at last year's Annual Meeting, and he had answered her.

Several arguments followed.

Then Mrs. Dittrich accused Matt of lying under oath.

Matt and Betty reminded everyone that it was the POA that was sued by the Dittrichs.

Matt pointed out that the Dittrichs engaged the ACC to have their bulkhead and the construction of their home approved, and it was only after they were denied the vertical siding that they attacked the legitimacy of the ACC.

Betty mentioned the inaccuracies in the email sent out by Mrs. Dittrich earlier that morning.

There was then an extended period of campaigning by the candidates or their surrogates.

Votes were cast and tallied. The following Board Members were elected:

Doug Thole  
Dave Hargraves  
Ashley Clubb  
Matt Ocker  
Susie Seidensticker (tie)  
Andrew Gordon (tie)

Susie Seidensticker, Secretary \_\_\_\_\_ Douglas Thole, President \_\_\_\_\_