

Canal City Property Owners Association
P.O. Box 110
Highlands, Texas 77562
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Information Letter:

The year 2009--2010 is for the great owners who've kept the faith and the new owners who share the dream of Canal City being a wonderful place to live and enjoy life to the fullest. Hurricane Ike may become a fading memory but we'll never forget that anticipation of a new beginning and the rich rewards it brings. I challenge all of us to move forward and work together to insure Canal City does not become a fading memory.

In January 2010 we had a change in leadership of the Canal City Properties Owners Association (CCPOA). Grant Nelson who has served as a tireless leader for many years chose to resign. As VP, David Fortenberry assumed the duties of acting president. At your CCPOA annual meeting July 31, 2010 a new executive Board will be elected and that Board will elect new officers: President, Vice President, Secretary and Treasure. The last six months have been challenging but your CCPOA Board has remained united and resolute in the effort to see Canal City move forward. The focus of our efforts for the last six months has been:

Move forward with the construction of a Bath House:

Construction of the bath house is virtually complete; however we have the challenge of finding a suitable location with water and septic and securing liability insurance to protect Canal City against a law suit. Liability insurance is expensive and we're sensitive to controlling costs. We hope to have the bath house on site in Canal City for the members to use when necessary. Move forward with Construction of a new sign for location at the VanSant entrance to Canal City:

The design is complete and a contractor has been identified for construction; however location of the sign is at issue. The Water Co. will stake out the water lines quickly but TEX-DOT must identify the easement for road construction and a survey must be performed to determine Canal City property lines. When the location issue is resolved we anticipate construction will be done within two weeks. Our goal is to have the sign completed before the meeting July 31, 2010.

Develop alternative methods for dredging the Canals in year 2010—2011:

The results of mechanical dredging efforts in the past have been questionable. Damage to the canal shoreline and placement of dredge material has been a problem. The hydraulic method for dredging canals provides much more control of canal depth and width and would allow the flexibility of identifying a specific location for the placement of dredge material. We are in the process of determining the costs associated with this type of dredging and should have more detailed information to present at the annual meeting. Baring any major problems we anticipate the dredging operations to begin this winter.

Development innovative ways for the Canal City Web Site to function better as a means of communication for the membership:

A Web page is being added to our Web site that will give service providers an opportunity to list their services i.e. mowing and lot maintenance, building contractors etc.

We have been asked to add a Web page to list member contact information. **Due to privacy laws member contact information will not appear our Web site.**www.canalcitytexas.com

You are encouraged to participate in your community association by running for a position on the Executive Board. We have Grant's and possibly a second person's position to fill on the board. Your name can be added to the election ballot which includes a section specifically designated for write-in-candidates. Be prepared to give a short statement outlining your vision for Canal City. We also accept names for alternate positions.

Two documents are included in this mail out that deserves your attention:

The first documents list two deed restrictions, numbers 5 and 20 that need slight modifications to make them clearer. Number 24, is a new deed restriction that pertain to pet restraints. **This document contains information that requires a vote of at least 51% of all property owners to pass and must be returned by August 31, 2010 to count.**

The second document is a survey enlisting your opinion regarding the use of RV's in Canal City. **Please return by August 31, 2010 to be counted.**

Be sure to attend the CCPOA annual meeting July 31, 2010 at the Chamber County Community Center located in Winnie. Neal Jacobs will smoke the briskets and you'all bring lots of food. There will be sweetened and unsweetened tea and lemonade for all. (No alcohol please) Check the official notice of the annual meeting in this packet for information and details.