

CAT MOUNTAIN HOMEOWNERS ASSOCIATION, INC

BOARD OF DIRECTORS MEETING

Date: May 9, 2005

Time: 7:00p

Location: CMHOA Clubhouse, 6007 Mt Bonnell Rd, Austin, TX, 78731

1. CALL TO ORDER: 7:00p. Directors present at the meeting were Mr. Browder, Mr. Grant, Mr. Joseph, Mr. Kline, Mr. Oppenheimer. Mr. Chargualaf also was present.

Others attending the meeting were Mr. and Ms. Adkins, Mr. Briney, Ms. Clark, Mr. Hopper, Mr. Huth, Ms. Jastram, Mr. and Ms. Lloyd, Mr. Otto, Mr. Prestwood, Mr. Scheidler, Mr. Thomas, Mr. and Ms. Warner, and Mr. Wolfe.

2. MEMBER FORUM: Mr. Oppenheimer asked if members in attendance had any issues or questions that they would like the Board to consider. None of the members in attendance had any issues or questions.
3. APPROVAL OF MINUTES: Draft minutes for review, correction, and approval.
 - a. Reviewed and corrected 4/11/05 minutes of Board of Directors Meeting. Mr. Oppenheimer moved to approve, seconded by Mr. Browder, motion passed unanimously.
4. FINANCIAL REPORT: Discussion of Association's financial activities and status.
 - a. The Reserve fund CD was discussed. Mr. Oppenheimer indicated that the CD term wouldn't expire until 7/27/05. The Board will reinvest Reserve fund when term has expired.
 - b. The Association policy for collecting on past due accounts was discussed. Mr. Oppenheimer presented data from the Manager on accounts 30, 60, 90, and more than 90 days in arrears. Mr. Grant advised that under its existing collection policy, the Association charges 10% interest on overdue amounts, and that liens can be placed on properties. The Manager noted that owners have different payment schedules and that it is difficult to determine if payments are late because owners may switch payment schedules at any time. Mr. Oppenheimer moved to add a 10% penalty to any payment that is 90 days late. The motion was not seconded. Mr. Grant and Mr. Warner discussed the use of incentives to motivate owners to pay assessments in advance or on time. Mr. Oppenheimer moved to form a committee to review the existing Association policy for collecting accounts and to report findings and recommendations within 60 days. Mr. Browder seconded the motion and it passed unanimously.
 - c. Mr. Grant and Mr. Kline asked about several entries in the ledger. Mr. Grant requested the Manager to review these entries with bookkeeper to ensure that they are accurate. Mr. Oppenheimer requested that the Board look at the budget after six months to determine if some items should be reclassified as Expenses or Capital Improvements.
5. MANAGER'S REPORT: Discussion of Association projects, incidents, and owner complaints.

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- a. The Board discussed removal of limbs from tree in Common Area that is encroaching 4504 Knap Hollow property. Mr. Oppenheimer moved to remove limbs at Association expense, get estimate for removing cedar tree in Common Area, get opinion from surrounding homeowners about the tree removal, and ask 4505 Knap Hollow property owner to share the cost of removing the cedar tree. Mr. Browder seconded the motion and it passed unanimously.
- b. The Board discussed electric fence around perimeter of 4804 Fern Hollow property. Another owner's pet was hurt by fence. Mr. Oppenheimer asked the Manager to get information on relevant city code(s). Mr. Oppenheimer will discuss with 4804 Fern Hollow property owner after information on city code is obtained.
- c. The Board discussed request by owner of 5902 Northwest Place for Association to trim willow brush and grass in the Common Area adjacent to owner's property. The Manager noted that he had done this in the past and would do it as soon as possible.

6. OLD BUSINESS

- a. Memorandum of Understanding – Joseph (5815 Sandalwood Hollow). Mr. Oppenheimer summarized the history of the case. Mr. Grant indicated that the Memorandum of Understanding (MOU) negotiated and agreed to by Grant/Oppenheimer/Joseph satisfied the Association's requirements and is substantially the same as the document approved by the Board in April 2004. Mr. Kline suggested that the MOU didn't completely address the issue of liability, and he asked if the MOU was reviewed by the Association's attorney. Mr. Grant noted that the MOU doesn't establish a precedent because the Association already has several similar agreements with other owners. Mr. Oppenheimer summarized several of these agreements. Mr. Oppenheimer moved to approve the MOU as negotiated by Grant/Oppenheimer/Joseph. The motion was seconded by Mr. Grant. Mr. Oppenheimer, Mr. Grant, and Mr. Browder voted for the motion; Mr. Kline voted against it; and, Mr. Joseph abstained.
Mr. Otto read the following prepared statement: *"It is proposed to the Board that prior to the signing of the MOU between Mr. Joseph and the Association, that a written assurance be obtained from the Association's lawyer that states that the MOU properly protects the Association from all liability which may arise from Mr. Joseph's actions and that the integrity of the By Laws and Covenants, Conditions and Restrictions are properly preserved."* Mr. Oppenheimer reiterated that the Association has several agreements, and if the Joseph MOU is reviewed then the other agreements should be reviewed. Mr. Grant indicated that the review would be an additional expense for the Association. Mr. Oppenheimer stated that the Association had an opinion that the CCRs allow the MOU. Mr. Grant added that in the exercise of his business judgment, he considers the MOU to constitute a good-faith resolution of the outstanding issues. Mr. Grant also noted that the Association attorney had assisted the Board in drafting previous versions of the MOU. Mr. Kline moved for adoption of Mr. Otto's proposal. There was no second. Mr. Grant moved to have the MOU reviewed by the Association attorney for an opinion that it is within the Board's authority and appropriately addresses the Association's interest prior to signing, and that the President be authorized to sign upon receipt of such opinion. The motion was seconded by Mr. Browder. Mr. Oppenheimer, Mr. Grant, and Mr. Browder voted for the motion; Mr. Kline voted against it; and, Mr. Joseph abstained.

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- b. Appeal of ECC Decision – Sorenson (4603 Lime Stone Circle): The Board reviewed the new plan that was submitted by the Sorensens and agreed to send it back to the ECC for review because of the revisions.
 - c. Playground Fencing: The Manager reported that he received three bids by phone. He noted that none of the contractors would give a formal written bid unless they were guaranteed the job. The Manager will try to get formal written bids for the job.
 - d. Mt. Villa Circle Easement – Chandlers: Mr. Oppenheimer contacted the property owner who had questions about the easement and advised that no plans have been submitted for a proposed easement along Mt. Villa Circle.
7. COMMITTEE REPORTS: Status of committee activities
- a. Committee Members: Mr. Oppenheimer requested removal of this item from the agenda.
 - b. Environmental Control Committee: Mr. Lloyd presented the Board with a letter of resignation as ECC Chair. The ECC currently has three members and all three need to attend to have a quorum. Ms. Adkins suggested that the quorum be reduced to two until the Board appoints all ECC positions. Mr. Grant moved to reduce the quorum to two until the Board can appoint an architect and another qualified individual to the ECC. The motion was seconded by Mr. Kline and it passed unanimously.
Mr. Kline met with owners involved in 5907 Northwest Place improvement plan. He proposed a revised plan that included windows to match the treatment on the other side. The immediately affected owners agreed with Mr. Kline's proposed revision and the owner of 5907 Northwest Place will submit a revised plan soon. Mr. Kline indicated that the ECC will approve the revised plan.
 - c. Communications Committee: Mr. Joseph presented a revised conceptual prototype of the Association's new website. Mr. Kline requested that the website design be accessible and that it protects owners' privacy. Mr. Joseph noted that he is aware of accessibility requirements and that he has drafted a privacy policy for the website. Mr. Joseph requested approval of up to \$800 to pay for development of the website. Mr. Oppenheimer moved to approve up to \$800 for website development. The motion was seconded by Mr. Browder and it passed unanimously. Mr. Joseph also reported that he and Ms. Prestwood have developed a draft of the Member survey. He will ask the Board to review and provide comments on this draft by 5/17.
 - d. Social/Activities Committee: Mr. Joseph reported that Ms. Warner and Ms. Jastram have been working on ideas for a social event, which will be held in late Spring/early Summer.
 - e. Welcome Committee: Mr. Joseph reported that Ms. Belmont has agreed to chair the Welcome Committee. Mr. Grant moved to appoint Ms. Belmont as Chair of the Welcome Committee. Mr. Oppenheimer seconded the motion, and it passed unanimously.
 - f. CCR Review Committee: Mr. Oppenheimer asked Mr. Otto to chair the CCR Review Committee, which would review the CCRs and provide recommendations for updating them to reflect the current status of the Cat Mountain Homeowners Association. Mr. Oppenheimer moved to appoint Mr. Otto as Chair of the CCR Review Committee. Mr. Kline seconded the motion, and it passed unanimously.
8. NEW BUSINESS

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- a. Owner Assistance in Beautification and Maintenance of Common Areas: Mr. Oppenheimer suggested that the HOA could be organized into different sections and that volunteer groups from each section should be allowed to remove debris, dead limbs, etc in an effort to beautify and maintain the Common Area. The wood debris could be chipped and used for mulch by owners within the Association. Mr. Kline and Mr. Browder indicated that this activity could be performed by Tru-Green. They also indicated that volunteers should not be allowed to use power tools because of liability risks and the possibility of unnecessary trimming in the Common Area. The Board asked the Manager to get a cost estimate from Tru-Green for this activity. Mr. Oppenheimer will also check with the Community Association organization to determine what other Associations may be doing in this regard.
 - b. HOA Communications: The Board discussed distribution of draft copies of meeting minutes and other HOA communications. The Board agreed that all Directors should review minutes before they are made available or distributed to owners.
 - c. HOA/Clubhouse Office and Other Equipment:
 - i. Computer, Furniture, Etc: Mr. and Ms. Adkins of Howard Adkins Communications donated a computer to the Association. The Manager's computer will be replaced with this new computer. The Board also approved the Manager to spend up to \$200 on a new desk for the clubhouse office.
 - ii. Communication Services and Payphone: Mr. Joseph submitted two plans for upgrading the Association's communication services and reducing expenses. The Board discussed the plans and Mr. Joseph moved to replace the payphone with a restricted line (911), eliminate the second office line, replace AOL dial-up with a broadband Internet connection, reduce long-distance minutes, and add an Internet-based fax service. Mr. Kline seconded the motion, and it passed unanimously.
 - d. Review/Approval of Directors and Officers (D&O) Insurance Renewal: The Board discussed renewal of the annual policy for D&O insurance. Mr. Kline moved to approve renewal of the D&O annual policy in the amount of \$3056.00. The motion was seconded by Mr. Browder, and it passed unanimously.
9. NEXT MEETING: June 20, 2005, 7:00p at the clubhouse.
10. ADJOURNMENT: Motion by Oppenheimer, seconded by Browder, motion passed unanimously. Meeting adjourned at 9:35p.

Minutes submitted by the Board of Directors' Secretary, Kurt Joseph.

THESE MINUTES HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS.