

CAT MOUNTAIN HOMEOWNERS ASSOCIATION, INC

BOARD OF DIRECTORS MEETING

Date: August 16, 2006

Time: 6:30p

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

1. CALL TO ORDER: 6:34p. Present at the meeting were Mr. Adkins, Ms. Jastram, Mr. Johnson, Mr. Joseph, Mr. Oppenheimer, and Mr. Chargualaf.

Others attending the meeting were Mr. Allen, Mr. Grant, Mr. Thomas, and Mr. and Mrs. Warner.

2. MEMBER FORUM: No issues or questions were presented by members.
3. APPROVAL OF MINUTES: Draft minutes for review, correction, and approval.
 - a. Reviewed 07/10/06 minutes of Board of Directors Meeting. Ms. Jastram moved to approve, seconded by Mr. Adkins, motion passed unanimously.
4. FINANCIAL REPORT: Discussion of Association's financial activities and status.
 - a. QuickBooks Conversion – Update: The Manager summarized conversion work during the past month. The accounting firm has a few more tasks to complete and then their oversight will consist of a monthly check of the Association accounting. Mr. Oppenheimer discussed the high costs associated with the conversion and he will ask the accounting firm to itemize these costs. Board members asked the Manager about various accounting entries (e.g., Payroll expenses). Mr. Grant noted that a budgeted amount of \$4,258 for Furniture and Fixture Depreciation was not included in the Association's profit/loss statement.
5. MANAGER'S REPORT: Discussion of Association projects, incidents, and owner issues.
 - a. The Board briefly discussed an owner's request for the Association to update the Association entrance signs. The Board will consider this request when it updates the Reserve Study in 2007.
6. OLD BUSINESS:
 - a. CMHOA Insurance Coverage: The Board discussed the appraisal from Barkley Insurance, which indicated that the Association was underinsured based on appraisal estimates. The Board decided to increase coverage from \$182K to \$225K and Mr. Oppenheimer will provide the premium estimate for the new appraisal amount when it is available.
 - b. Dues Collection Services – Colonial Bank: The Board discussed their meeting with the Colonial Bank representative and the implementation of the dues collection services beginning in January 2007. Ms. Jastram moved to enter into a contractual agreement with Colonial Bank for dues collections services beginning in January 2007. The motion was seconded by Mr. Johnson and it passed unanimously. Mr. Oppenheimer will contact the representative to begin the contractual process.

- c. CMHOA Reserve Study Recommendations: Mr. Adkins provided the Board and visiting members with a presentation of the CMHOA Reserve Study and the Reserve Committee's recommendations. The presentation will be posted to the website, it will be summarized in the next newsletter, and it will be presented at the 2007 Annual Meeting. The Reserve Committee's recommendations included member dues increases of 4.1% in 2008, 4.7% in 2009 and 5.0% in 2011 to maintain the existing level of services provided by the Association. Mr. Oppenheimer suggested increasing dues in 2007 rather than 2008 to take advantage of compounding interest over the period included in the Reserve Study. The Board briefly discussed this suggestion. Mr. Johnson made the following motion: (1) Increase homeowner dues 4.1% to \$43.00 per month, effective January 1, 2007; (2) Dedicate a minimum of \$35,000 per year for the Association reserve fund in each annual budget; (3) Appoint a standing Reserve Committee to monitor and readjust the Reserve Study prior to every Annual Meeting of the General Membership, and also whenever significant changes in economic or other impacting events might suggest such review and revision; (4) Instruct the Reserve Committee to immediately prepare a plan, based on the 2006 reserve study, for repair and replacement spending for the remainder of 2006 and for 2007, and present this plan at the September Board of Directors meeting; and, (5) Develop amendment to the CMHOA Bylaws that would create a standing Reserve Committee, and offer this amendment for consideration by the General Membership on the ballot for the 2007 Annual Membership Meeting. The motion was seconded by Ms. Jastram and it passed unanimously. Mr. Adkins moved to create a standing three-member Reserve Committee, with Mr. Grant as chair and Mr. Joseph as a member. The motion was seconded by Mr. Johnson and all approved except Mr. Joseph, who abstained. The Board discussed possible candidates to fill the committee's open position.
7. COMMITTEE REPORTS: Status of committee activities
 - a. Environmental Control Committee: Mr. Thomas noted that the ECC has provisionally approved (pending neighbor approval) an improvement plan for repair of a home on a Twin Valley Circle lot. The ECC is working with the owner to address a lot encroachment issue that is associated with this plan. Mr. Thomas introduced Mr. Allen, who is a new member of the ECC. The ECC is now fully staffed.
 - b. Communications Committee: Mr. Joseph reported that the newsletter was published. Also, he asked the Board to consider selling advertising on the Association web site. The Board briefly discussed and Mr. Joseph moved to approved the sale of advertising on the web site pending development of an acceptable rate sheet for web advertising. Mr. Adkins seconded the motion and all approved except for Ms. Jastram.
 - c. Social/Activities Committee: Mr. Joseph noted that the CMHOA Summer BBQ was a big success, with over 100 members attending. Mr. Joseph thanked the volunteers who made the event run smoothly, and he also thanked the Manager for his help. Mr. Joseph reserved the clubhouse on 12/10/06 for the Holiday Party.
 - d. Welcome Committee: Mr. Oppenheimer has initiated the Welcome Committee and named Ms. Blanchard as chair. Ms. Noble is also a member of the committee. The committee will be working to start welcoming new members as they arrive in our neighborhood.

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- e. External Affairs: Ms. Jastram reported that there is little news because the current CONA-related litigation is pending and disclosures have been prohibited.

8. NEW BUSINESS:

- a. Association Attorney Q&A (Patty Arnold): Ms. Arnold, the Association's attorney attended the meeting and provided the Directors and other members with an opportunity to ask questions about a wide range of legal topics. Ms. Arnold indicated that a complete prohibition on signs, satellite tv equipment, and flagpoles is illegal. Mr. Thomas asked if box wire fences were illegal and Ms. Arnold said she didn't know. She did note that all swimming pools must be fenced and that some types of fencing (e.g., chain link) are not allowed for this purpose.

Mr. Thomas requested that Ms. Arnold review and comment on the 02/21/90 Architectural Guidelines document. Ms. Arnold indicated that she would.

Ms. Warner asked what enforcement actions the Association has. Ms. Arnold summarized Article 9, Section 3 of the CCR. She also referenced Article 15, Section 1, indicating that the time schedules given in this Section have been superseded by more recent changes to the State Property Code. She stated that it is difficult for the Association to move from a "letter to a lawsuit" and she suggested that the Association should have several intermediate steps; for example, fines, dispute resolution, and mediation/arbitration. Finally, she noted that in cases where the Association is considering a repair action, it should not spend a lot of money doing repairs if the costs can't be recovered. Mr. Oppenheimer asked about the current monthly dues payment structure and options for changing it (e.g., quarterly, semi-annually, annually). Ms. Arnold responded that 90% of owners needed to approve a change in the structure before it could be changed. If this can't be done now, then the Association should wait until 10/03/2008 when the CCR can be amended and 75% of the owners need to approve the changes.

Mr. Johnson asked about basketball goals and other personal property that was located in common areas (e.g., cul de sacs, streets). Ms. Arnold suggested that the Association send a letter to the owner of the personal property and then remove the goals from the common area if the owners don't comply.

Ms. Arnold suggested that it will be easier for the Association to implement rules to effect desired change rather than attempting to amend the CCR, which require 75% approval of the owners.

- b. Wildfire Preparedness: Mr. Joseph reported that Mr. Wadlington and Mr. Scheidler have volunteered to help with this initiative thus far. He will contact these volunteers to begin planning how to implement the Fire Committee's recommendations.
- c. Entrance Sign Vandalism: The Board discussed the theft of the "No Soliciting" signs, which were hung from the Association entrance signs. Board members agreed on the need for the signs to be displayed at the entry ways, but they do not want to keep replacing them. The Board will research other possible sign materials and/or ways to display the "No Soliciting" message at the entrances.

9. NEXT MEETING: September 11, 2006, 6:30p at the clubhouse.

10. ADJOURNMENT: Motion by Mr. Adkins, seconded by Mr. Joseph, motion passed unanimously. Meeting adjourned at 9:01p.

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

THESE MINUTES HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS.