

WESTBANK HOMEOWNERS ASSOCIATION, INC.

Monthly Meeting of the Board of Directors

December 19 , 2011

1. Establish a Quorum
2. Approval of Minutes
3. Treasurer's Report
4. Security Report
5. Community Awareness Report
6. Old Business
7. New Business
8. Homeowner Input
9. Adjournment of Meeting

WESTBANK HOMEOWNERS ASSOCIATION, INC.
MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 21, 2011

STATE OF TEXAS §
MINUTES
COUNTY OF HARRIS §

The Westbank Homeowners Association's Meeting of the Board of Directors was held on November 21, 2011 at the Association clubhouse, 8303 West Road. Mrs. Paulann Alleman called the meeting to order at 7:30 p.m. after establishing that a quorum of the Directors was present. Other Board Members present at the meeting were Mark Cisneros, Virginia Hurlbut, Shiver Nolan and James Phillips. Also present were Tom Garth and Kathy Okulewicz representing Synergy Management Services.

MINUTES – Ms. Nolan made a motion to approve the Minutes of the October 17, 2011 Monthly Meeting as written. The motion was seconded by Mr. Cisneros and approved with all in favor.

TREASURER'S REPORT – Mr. Garth reviewed the Profit & Loss, Budget vs. Actual figures for October 2011. He advised that the Association was on the bad side of the budget by about \$4,600 which was mostly due to bad debt write-offs and some ground maintenance costs. Mr. Garth provided more details on the monthly expenses.

Mr. Garth gave information on the bank balance and total of the outstanding loans. He advised that the collections were again ahead of the same period from previous years. The annual maintenance fee invoices had just been mailed to the homeowners. There was a brief discussion of how payout agreements are arranged.

Ms. Hurlbut made a motion to approve the Treasurer's Report for October 2011 as presented. Ms. Nolan seconded, and the motion was approved with all in favor.

NEIGHBORHOOD WATCH REPORT – Mrs. Alleman gave safety tips for the holiday season, especially how to avoid problems when shopping. Mr. Phillips cautioned residents not to put empty boxes outside their homes as that would announce what nice new things might be inside.

Deputy Bilinovich had advised Mrs. Alleman there had been several vehicles which had their back windows broken out. Nothing was taken, and the deputies have a good description of the perpetrators and their vehicle. Mrs. Alleman then reviewed the Neighborhood Watch Report statistics for October 2011 and provided details on some of the reports.

Mrs. Alleman advised that Harris County Animal Control will be in Carriage Lane to pick up stray dogs as there have been many calls on this problem.

There was a discussion regarding burglaries in the neighborhood. It was noted that the majority of the homes which were burglarized had doors or windows that were left unlocked. The police believe these crimes are being done mostly by teenagers, as ‘crimes of opportunity’. Mr. Garth will order a new Neighborhood Watch sign.

Mrs. Alleman advised that at the new year Carriage Lane will have 3 new deputies, and briefly reviewed what she expected them to do.

A homeowner advised about teens hiding under the bridge at the back of the subdivision. Mrs. Alleman will ask the deputy to check this out.

Residents reported that a neighbor had reported suspicious people to the police and she had confronted them. Later a house was discovered to have been broken into but the police said they couldn’t do anything as there were no witnesses to the actual crime. A homeowner asked how to advise about suspected drug activity. Mrs. Alleman gave some advice on how to make reports to the police without worrying about possible retribution.

COMMUNITY AWARENESS - Mrs. Alleman advised there would again be a Craft Day activity for the holidays, and asked Mr. Druffel to give a cost estimate to the Board. After some discussion of what would be done on Craft Day, Mr. Druffel estimated costs would be about \$250. **Ms. Nolan made a motion to approve \$250 for Craft Day expenses. The motion was seconded by Mr. Phillips and approved with all in favor.**

The Board agreed that the Holiday Craft Day would be held on Sunday, Dec 18th, from 1 to 3 P.M. at the clubhouse. Volunteers are asked to bring cupcakes for the kids to decorate. Ms. Nolan suggested putting the Craft Day flyer in with the water bill to save money.

NEW BUSINESS - There was a question regarding when deed restriction violators would be taken to court for not correcting the violations. Mr. Garth advised that he prefers to wait for them to pay 3 or 4 fines for the violations before going to court.

There was a question about whether portable basketball goals were a deed restriction violation. There was a brief discussion about the homeless woman who is often seen in Carriage Lane.

Ms. Custer advised she will clean up the park area where the pipeline company had done land-clearing. The company had only cleaned what they were responsible for, and there was a lot of trash uncovered during their clearing.

There being no further business, Mr. Phillips moved that the Meeting be adjourned. The motion was seconded by Ms. Hurlbut and passed with all in favor. The Meeting was adjourned at 8:45 p.m.

Secretary

Westbank Homeowners Association, Inc.

Profit & Loss Budget vs. Actual

November, 2011 & Y.T.D.

	TOTAL							
	Nov 11	Budget	\$ Over Budget	% of Income	Jan - Nov 11	Budget	\$ Over Budget	% of Income
Income								
2011 MFEE INCOME	35,097.00	35,097.00	0.00	0.0%	406,020.00	406,020.00	0.00	0.0%
OTHER INCOME								
Deed Restriction Fines	550.00	625.00	-75.00	-0.15%	1,800.00	4,375.00	-2,575.00	-0.45%
Service Fee - 3 Payment Option	80.00	250.00	-170.00	-0.34%	704.00	1,017.00	-313.00	-0.05%
MUD Cont. Deputy Income	11,991.00	11,991.00	0.00	0.0%	131,901.00	131,901.00	0.00	0.0%
Interest on Money Market	13.02	41.00	-27.98	-0.06%	516.36	451.00	65.36	0.01%
Interest on Operating Account	2.13				10.28			
Pool Guest Fees	0.00	0.00	0.00	0.0%	81.00	250.00	-169.00	-0.03%
Coke Machine	0.00	0.00	0.00	0.0%	0.00	125.00	-125.00	-0.02%
Mgmt Collection Fees	825.00	0.00	825.00	100.0%	10,580.00	10,000.00	580.00	0.1%
Atty Collection Fees	1,355.00	834.00	521.00	1.04%	22,495.00	11,666.00	10,829.00	1.88%
Mgmt Deed Rstn Fees	0.00				40.00			
Atty Deed Rstn Fees	0.00	500.00	-500.00	-1.0%	0.00	5,000.00	-5,000.00	-0.87%
Penalty & Int Income	44.16	540.00	-495.84	-0.99%	192.13	5,940.00	-5,747.87	-1.0%
Mowing Income	0.00	0.00	0.00	0.0%	960.00	3,000.00	-2,040.00	-0.35%
Clubhouse Rental	0.00	166.00	-166.00	-0.33%	1,900.00	1,826.00	74.00	0.01%
Total OTHER INCOME	<u>14,860.31</u>	<u>14,947.00</u>	<u>-86.69</u>	<u>-0.17%</u>	<u>171,179.77</u>	<u>175,551.00</u>	<u>-4,371.23</u>	<u>-0.76%</u>
Total Income	49,957.31	50,044.00	-86.69	-0.17%	577,199.77	581,571.00	-4,371.23	-0.76%
Expense								
ADMINISTRATIVE EXPENSE								
County Recording Fees	452.00				452.00			
Coke Machine	0.00	0.00	0.00	0.0%	76.36	100.00	-23.64	-0.0%
Sterling OLD Loan Interest	966.00	483.00	483.00	0.97%	5,114.00	5,313.00	-199.00	-0.03%
Sterling NEW Loan Interest	458.00	458.00	0.00	0.0%	5,206.00	5,038.00	168.00	0.03%
Annual Meeting	0.00	0.00	0.00	0.0%	0.00	100.00	-100.00	-0.02%
Bad Debt	403.42	1,666.00	-1,262.58	-2.53%	11,494.23	18,326.00	-6,831.77	-1.18%
Bank Service Charge	0.00	42.00	-42.00	-0.08%	925.50	462.00	463.50	0.08%
Board Meeting Expense	0.00	0.00	0.00	0.0%	33.00	100.00	-67.00	-0.01%
Postage	1,523.77	583.00	940.77	1.88%	7,353.46	6,413.00	940.46	0.16%
Donations	0.00	0.00	0.00	0.0%	0.00	250.00	-250.00	-0.04%
Newsletter Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Office Supplies	0.00	8.00	-8.00	-0.02%	92.19	88.00	4.19	0.0%
Translations-English to Spanish	0.00				77.76			
Total ADMINISTRATIVE EXPENSE	<u>3,803.19</u>	<u>3,240.00</u>	<u>563.19</u>	<u>1.13%</u>	<u>30,824.50</u>	<u>36,190.00</u>	<u>-5,365.50</u>	<u>-0.93%</u>
Community Improvements								
Events, Projects & Improvements	<u>1.</u> 11,020.00	1,666.00	9,354.00	18.72%	25,547.89	18,326.00	7,221.89	1.25%
Total Community Improvements	<u>11,020.00</u>	<u>1,666.00</u>	<u>9,354.00</u>	<u>18.72%</u>	<u>25,547.89</u>	<u>18,326.00</u>	<u>7,221.89</u>	<u>1.25%</u>

Westbank Homeowners Association, Inc.

Profit & Loss Budget vs. Actual

November, 2011 & Y.T.D.

	TOTAL							
	Nov 11	Budget	\$ Over Budget	% of Income	Jan - Nov 11	Budget	\$ Over Budget	% of Income
CONTRACT SERVICES								
Exterminating	89.50	0.00	89.50	100.0%	283.26	300.00	-16.74	-0.0%
Patrol Services	15,988.00	15,988.00	0.00	0.0%	159,880.00	175,868.00	-15,988.00	-2.77%
Patrol Services - Overtime	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Patrol Services - Equipment	0.00	0.00	0.00	0.0%	39.38	250.00	-210.62	-0.04%
Pool Contract Management	600.00	668.00	-68.00	-0.14%	37,860.00	44,332.00	-6,472.00	-1.12%
Association Management	3,570.00	3,570.00	0.00	0.0%	39,540.00	39,270.00	270.00	0.05%
Mosquito Fogging	0.00	0.00	0.00	0.0%	0.00	2,500.00	-2,500.00	-0.43%
Total CONTRACT SERVICES	20,247.50	20,226.00	21.50	0.04%	237,602.64	262,520.00	-24,917.36	-4.32%
DEED RESTRICTION ENFORCEMENT								
Force Mows	120.00	0.00	120.00	100.0%	1,280.00	3,000.00	-1,720.00	-0.3%
Total DEED RESTRICTION ENFORCEMENT	120.00	0.00	120.00	100.0%	1,280.00	3,000.00	-1,720.00	-0.3%
MAINTENANCE EXPENSE								
Groundskeeping Mgmt								
Landscaping Contract	3,200.00	3,750.00	-550.00	-1.1%	34,670.00	34,850.00	-180.00	-0.03%
Misc. Grounds Maintenance	467.00	208.00	259.00	0.52%	8,222.57	2,292.00	5,930.57	1.03%
Shrubbery	0.00	83.00	-83.00	-0.17%	255.00	917.00	-662.00	-0.12%
Total Groundskeeping Mgmt	3,667.00	4,041.00	-374.00	-0.75%	43,147.57	38,059.00	5,088.57	0.88%
Curb Numbering	0.00	0.00	0.00	0.0%	0.00	15,000.00	-15,000.00	-2.6%
Tennis Court	0.00	0.00	0.00	0.0%	0.00	1,000.00	-1,000.00	-0.17%
Sprinkler System	150.00	292.00	-142.00	-0.28%	2,724.00	3,212.00	-488.00	-0.09%
Recreation Center	0.00	208.00	-208.00	-0.42%	1,840.97	2,288.00	-447.03	-0.08%
Clubhouse	0.00	125.00	-125.00	-0.25%	363.76	1,375.00	-1,011.24	-0.18%
Total MAINTENANCE EXPENSE	3,817.00	4,666.00	-849.00	-1.7%	48,076.30	60,934.00	-12,857.70	-2.23%
POOL EXPENSES								
Pool Pump Repair	0.00	208.00	-208.00	-0.42%	2,243.80	2,288.00	-44.20	-0.01%
Pool Repairs	0.00	167.00	-167.00	-0.33%	16,882.30	13,666.00	3,216.30	0.56%
Swimming Identification	0.00	0.00	0.00	0.0%	1,689.98	1,000.00	689.98	0.12%
Pool Expenses	0.00	0.00	0.00	0.0%	2,300.00	500.00	1,800.00	0.31%
Pool Chemicals	0.00	0.00	0.00	0.0%	0.00	1,000.00	-1,000.00	-0.17%
Pool Supplies/Equipment	0.00	0.00	0.00	0.0%	1,011.10	500.00	511.10	0.09%
Total POOL EXPENSES	0.00	375.00	-375.00	-0.75%	24,127.18	18,954.00	5,173.18	0.9%
PROFESSIONAL EXPENSES								
Attorney Collection Fees								
Court Costs	0.00	0.00	0.00	0.0%	884.00	0.00	884.00	100.0%

Westbank Homeowners Association, Inc.

Profit & Loss Budget vs. Actual

November, 2011 & Y.T.D.

	TOTAL							
	Nov 11	Budget	\$ Over Budget	% of Income	Jan - Nov 11	Budget	\$ Over Budget	% of Income
Title Searches	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Atty Deed Restriction Fee	0.00	500.00	-500.00	-1.0%	0.00	5,000.00	-5,000.00	-0.87%
Corporate Legal Fees	0.00	0.00	0.00	0.0%	0.00	500.00	-500.00	-0.09%
Atty Collection Fee	800.00	834.00	-34.00	-0.07%	20,560.00	11,666.00	8,894.00	1.54%
Total Attorney Collection Fees	<u>800.00</u>	<u>1,334.00</u>	<u>-534.00</u>	<u>-1.07%</u>	<u>21,444.00</u>	<u>17,166.00</u>	<u>4,278.00</u>	<u>0.74%</u>
Management Collection Fees								
3 Payment Option Service Fees	80.00	250.00	-170.00	-0.34%	656.00	1,017.00	-361.00	-0.06%
Forced Mow Admin Trip Chgs	0.00	0.00	0.00	0.0%	0.00	500.00	-500.00	-0.09%
NSF Check Service Fees	0.00	0.00	0.00	0.0%	55.00	150.00	-95.00	-0.02%
Collection Fees	1,631.06	0.00	1,631.06	100.0%	5,938.06	10,000.00	-4,061.94	-0.7%
Total Management Collection Fees	<u>1,711.06</u>	<u>250.00</u>	<u>1,461.06</u>	<u>2.93%</u>	<u>6,649.06</u>	<u>11,667.00</u>	<u>-5,017.94</u>	<u>-0.87%</u>
Translations	0.00				25.00			
Audit - Tax Preparation	0.00	0.00	0.00	0.0%	2,200.00	2,400.00	-200.00	-0.04%
Dues & Subscriptions	0.00	0.00	0.00	0.0%	115.00	350.00	-235.00	-0.04%
Total PROFESSIONAL EXPENSES	<u>2,511.06</u>	<u>1,584.00</u>	<u>927.06</u>	<u>1.86%</u>	<u>30,433.06</u>	<u>31,583.00</u>	<u>-1,149.94</u>	<u>-0.2%</u>
TAX & INSURANCE								
D & O Insurance	333.00	333.00	0.00	0.0%	3,663.00	3,663.00	0.00	0.0%
TCPP & Umbrella Insurance	1,875.00	1,875.00	0.00	0.0%	20,625.00	20,625.00	0.00	0.0%
Uninsured Auto Insurance	20.00	20.00	0.00	0.0%	220.00	220.00	0.00	0.0%
Fidelity Bond	29.00	29.00	0.00	0.0%	319.00	319.00	0.00	0.0%
Property Tax	29.00	0.00	29.00	100.0%	38.00	30.00	8.00	0.0%
Total TAX & INSURANCE	<u>2,286.00</u>	<u>2,257.00</u>	<u>29.00</u>	<u>0.06%</u>	<u>24,865.00</u>	<u>24,857.00</u>	<u>8.00</u>	<u>0.0%</u>
UTILITIES								
Elec. Street Lights	5,464.87	6,250.00	-785.13	-1.57%	59,213.36	68,750.00	-9,536.64	-1.65%
Elec. Rec Center	931.12	1,250.00	-318.88	-0.64%	10,030.47	13,750.00	-3,719.53	-0.64%
Elec. Sprinklers	10.06	25.00	-14.94	-0.03%	170.09	275.00	-104.91	-0.02%
Water - Rec. Center/Pool	316.13	415.00	-98.87	-0.2%	5,712.87	4,565.00	1,147.87	0.2%
Water - Sprinkler	1,019.99	625.00	394.99	0.79%	11,888.29	6,875.00	5,013.29	0.87%
Telephone	170.14	250.00	-79.86	-0.16%	1,869.72	2,750.00	-880.28	-0.15%
Total UTILITIES	<u>7,912.31</u>	<u>8,815.00</u>	<u>-902.69</u>	<u>-1.81%</u>	<u>88,884.80</u>	<u>96,965.00</u>	<u>-8,080.20</u>	<u>-1.4%</u>
Total Expense	<u>51,717.06</u>	<u>42,829.00</u>	<u>8,888.06</u>	<u>17.79%</u>	<u>511,641.37</u>	<u>553,329.00</u>	<u>-41,687.63</u>	<u>-7.22%</u>
Net Income	<u>-1,759.75</u>	<u>7,215.00</u>	<u>-8,974.75</u>	<u>-17.97%</u>	<u>65,558.40</u>	<u>28,242.00</u>	<u>37,316.40</u>	<u>6.47%</u>

1. Planted 40 new trees in first 11 esplanades (from Fairbanks). Also added sprinkler bubbler to each new tree. Total cost was \$11,020, \$9,354.00 of which was not budgeted for the month. **PLUS \$9,354.00 = 379.25 better than budgeted**
Westbank H.O.A., Inc. December, 2011 DIRECTOR'S Package

Westbank Homeowners Association, Inc.
Balance Sheet
 As of November 30, 2011

	Nov 30, 11
ASSETS	
Current Assets	
Checking/Savings	
Prosperity Bank - MM	54,756.33
Prosperity Bank - OPS	41,381.00
Total Checking/Savings	96,137.33
Accounts Receivable	
Accounts Receivable	
A/R 1990's	9,185.54
A/R 2000	
A/R MAINTENANCE FEES 2000	277.44
Force mows 2000	210.00
Interest	56.19
Legal/Collection	1,001.69
PrePaid Legal	334.00
Returned Checks	259.39
Synergy Collection Fee	322.00
Total A/R 2000	2,460.71
Maintenance Fees 2001	
Force Mow 2001	395.00
Interest on Outstanding M. Fees	517.66
Maintenance Fees 2001 - Other	930.44
Total Maintenance Fees 2001	1,843.10
Maintenance Fees 2002	
2002 Attorney & Mgmt Col. Fees	810.00
Maintenance Fees 2002 - Other	372.78
Total Maintenance Fees 2002	1,182.78
Maintenance Fees 2003	
2003 Penalty & Interest	50.00
Maintenance Fees 2003 - Other	985.82
Total Maintenance Fees 2003	1,035.82
Maintenance Fees 2004	
2004 Forced Mows	265.00
2004 Attorney Fees	937.32
2004 Synergy Collection Fees	299.20
Maintenance Fees 2004 - Other	1,541.73
Total Maintenance Fees 2004	3,043.25
Maintenance Fees 2005	
2005 NSF Checks	30.00
2005 Attorney Fees	1,012.67
2005 Synergy Collection Fees	722.10
Maintenance Fees 2005 - Other	1,020.51
Total Maintenance Fees 2005	2,785.28
Maintenance Fees 2006	
Force Mows	280.00
2006 NSF Checks	1,358.00
2006 Interest	130.00
2006 Attorney Fees	1,530.84
2006 Synergy Collection Fees	610.00
Maintenance Fees 2006 - Other	1,965.50
Total Maintenance Fees 2006	5,874.34
Maintenance Fees 2007	
2007 Attorney's Fees	2,261.62
2007 Collection Fees	1,500.00
2007 Transfer & Collection Fees	1,034.00
2007 Force Mows	1,362.65

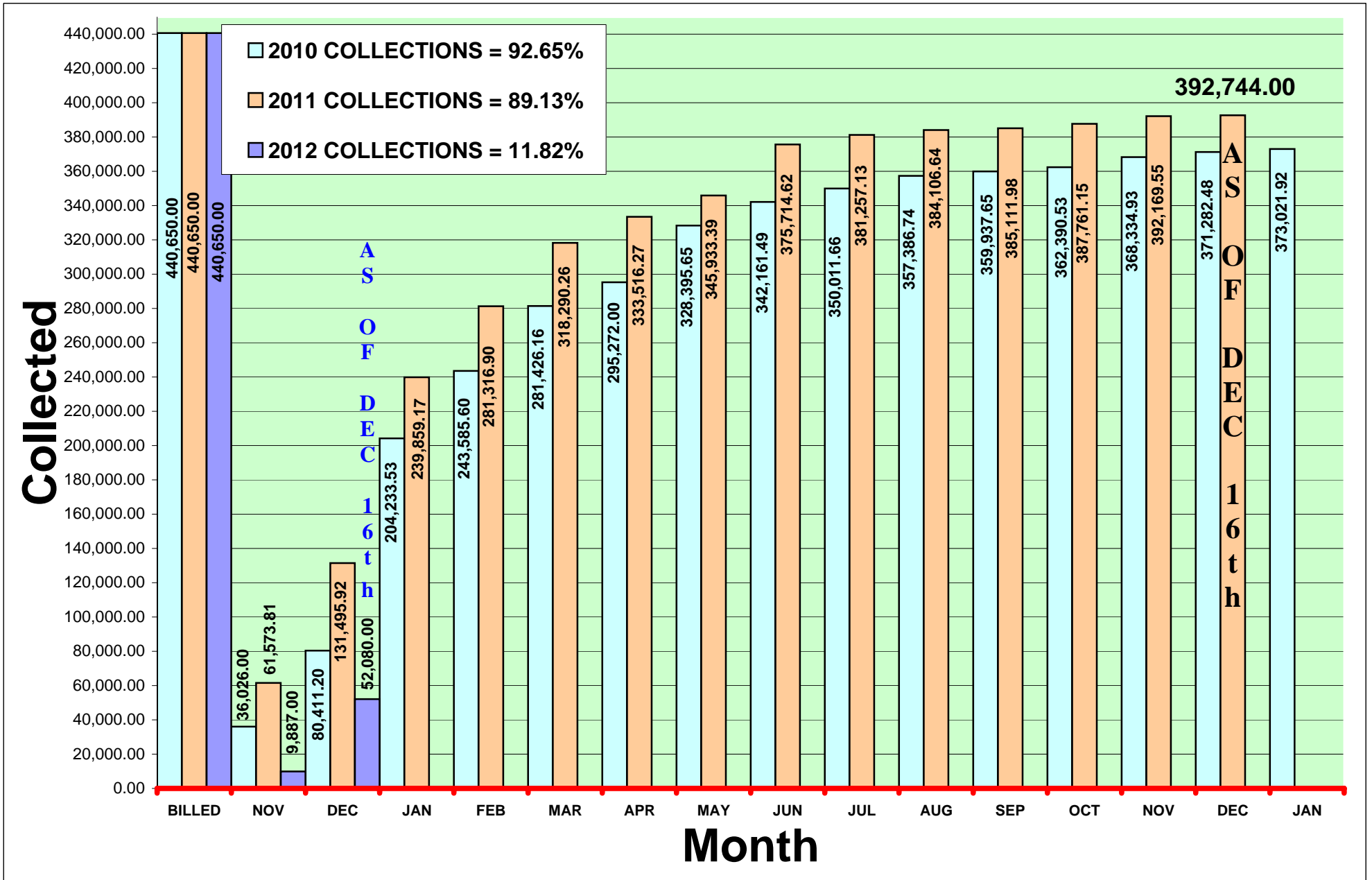
Westbank Homeowners Association, Inc.
Balance Sheet
 As of November 30, 2011

	Nov 30, 11
Maintenance Fees 2007 - Other	6,397.56
Total Maintenance Fees 2007	12,555.83
Maintenance Fees 2008	
2008 Interest on Account	958.10
2008 Forced Mows	2,213.00
2008 Attorney's Fees	15,204.15
2008 NSF	423.24
2008 Synergy - 3 Payment Option	1,334.68
Maintenance Fees 2008 - Other	13,448.49
Total Maintenance Fees 2008	33,581.66
Maintenance Fees 2009	
2009 Interest on Account	981.50
2009 Force Mows	2,377.88
2009 - Synergy Collect & Other	240.00
Maintenance Fees 2009 - Other	20,723.65
Total Maintenance Fees 2009	24,323.03
Maintenance Fees 2010	
2010 - Synergy Collect & Other	11,066.56
2010 - Interest on Account	3,394.55
2010 - NSF Checks	335.00
2010 - Attorney's Fees	6,163.60
Maintenance Fees 2010 - Other	30,939.88
Total Maintenance Fees 2010	51,899.59
Atty Collection Trust Accout	-13,017.63
Maintenance Fees 2011	
2011 - Attorney's Fees	22,127.71
2011 - Force Mows	495.00
2011 - NSF Checks	140.00
2011 - Synergy Collection Fees	7,319.56
Maintenance Fees 2011 - Other	48,480.45
Total Maintenance Fees 2011	78,562.72
Maintenance Fees 2012	-9,887.00
DR Fines	1,275.00
Total Accounts Receivable	206,704.02
Total Accounts Receivable	206,704.02
Other Current Assets	
Undeposited Funds	-4,570.82
Total Other Current Assets	-4,570.82
Total Current Assets	298,270.53
Fixed Assets	
Accumulated Depreciation	-206,734.00
Fixed Assets	
Building Remodeling	
Appliances	2,280.00
Building Remodeling - Other	149,741.76
Total Building Remodeling	152,021.76
Building	2,172.32
Clubhouse Furniture	3,406.44
Fence	9,197.00
Gazebo	16,740.00
New Building	4,335.34
Pool Lights	11,546.51
Pool Repairs	148,507.32
Pumphouse	4,350.00

Westbank Homeowners Association, Inc.
Balance Sheet
As of November 30, 2011

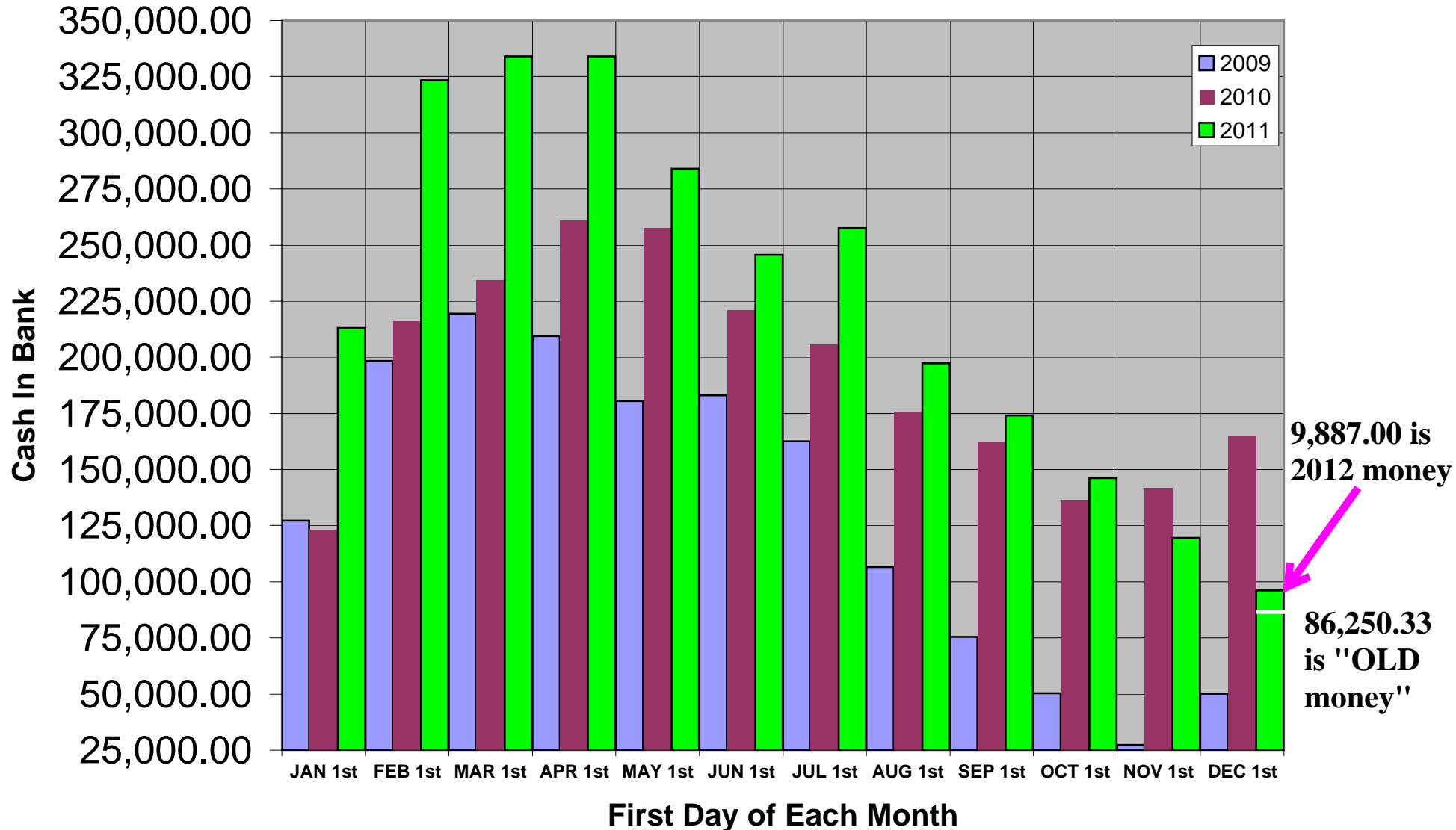
	<u>Nov 30, 11</u>
Signs	1,633.05
Swimming Pool (New Pool)	293,359.20
Total Fixed Assets	<u>647,268.94</u>
Total Fixed Assets	440,534.94
Other Assets	
Other Assets	
Pre-Paid Insurance	-4,877.56
Total Other Assets	<u>-4,877.56</u>
Total Other Assets	-4,877.56
TOTAL ASSETS	<u><u>733,927.91</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-50,256.82
Total Accounts Payable	-50,256.82
Other Current Liabilities	
Current liabilities	
Unearned Income from 2011 MFEEs	34,630.00
Total Current liabilities	<u>34,630.00</u>
Total Other Current Liabilities	<u>34,630.00</u>
Total Current Liabilities	-15,626.82
Long Term Liabilities	
Long Term Liabilities	
Sterling Bank 100K Loan 7-30-07	73,568.92
Sterling Bank-Loan 1	47,594.90
Total Long Term Liabilities	<u>121,163.82</u>
Total Long Term Liabilities	121,163.82
Total Liabilities	105,537.00
Equity	
Retained Earnings	562,832.51
Net Income	65,558.40
Total Equity	<u>628,390.91</u>
TOTAL LIABILITIES & EQUITY	<u><u>733,927.91</u></u>

2011 vs 2010 vs 2009 Maintenance Fee Collections



WESTBANK H.O.A., INC.

Cash in Bank - 2009 - 2010 - 2011 Comparisons



Note: I have attached two documents that need to be approved for filing in the real property records before the 1st of January. There are going to be several more of these documents that will also need to be approved and filed before the 1st. Please respond when you get the documents by e-mail. I would like to have them filed by the first as the new laws indicate they should be. However, I would also bet money that if ours are all filed by the 1st, we would be one of a very very few HOA's who had done so, but I would like to try.

Also, noticed two things I wanted to share as I did the last drive through this month. First, many more houses have Christmas decorations than I remember having them last year. I would put it at more than 1 in 10 homes. Second, I think that the new DR letters and the new FINES are having a positive effect. The actual fines or the possibility of fines seems to get peoples attention and a larger percentage of my "letters" (now certified letters AND FINE letters) are having the desired results. I was particularly surprised by how many of the people along West Rd edged and swept at their West Rd curbs. At least 80% of the people I noticed did it.

Records Retention Policy of the Westbank Homeowners Association, Inc.

The Board of Directors of Westbank Homeowners Association, Inc., a Texas property owners association as defined by Texas Property Code Chapter 209, has resolved that it is the best interests of the Association to adopt this Policy, and has instructed the undersigned to execute and effect recording of this instrument on behalf of the Association.

PURPOSE. The purpose of this Policy is to comply with the minimum requirements of Prop. Code Sec. 209.005(m) enacted by the 82nd Texas Legislature as House Bill 2761, effective January 1, 2012, which requires a property owners' association composed of more than 14 lots to adopt and comply with a document retention policy.

SECTION 2. Section 209.005, Texas Property Code

(m) A property owners' association composed of more than 14 lots shall adopt and comply with a document retention policy that includes, at a minimum, the following requirements:

- (1) certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently;*
- (2) financial books and records shall be retained for seven years;*
- (3) account records of current owners shall be retained for five years;*
- (4) contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;*
- (5) minutes of meetings of the owners and the board shall be retained for seven years; and*
- (6) tax returns and audit records shall be retained for seven years.*

EFFECTIVE DATE. This Policy is adopted by the Board of Directors to be effective date from January 1, 2012.

DOCUMENT RETENTION REQUIREMENTS. At a minimum, the Association will retain a digital copy of the identified documents, the original identified documents, or both as required by Prop. Code Sec. 209.005(m), for the minimum periods of time as stated in Prop. Code Sec. 209.005(m), which on the Effective Date consist of the documents identified in *SECTION 2. Section 209.005, Texas Property Code*, as incorporated herein and above.

CONSTRUCTION. The Policy may not be construed to prevent the Board of Directors from adopting, amending, and restating, from time to time, one or more additional administrative policies pertaining to the retention of documents, records, and information of the Association, including, without limitation, policies relating to the storage and destruction of the items identified on Exhibit "A", and policies pertaining to the retention, storage, and destruction of other types of documents, records, and information of the Association. This provision may not be construed as a duty of the Board of Directors to adopt such additional administrative policies.

APPLICABILITY. Pursuant to SECTION 6(b) of House Bill 2761, this Policy applies only with respect to books and records of the Association generated on or after January 1, 2012, the effective date of the law enacted by House Bill 2761.

PUBLIC RECORDING. In case this administrative Policy is construed to be a "dedicatory instrument" within the meaning of Prop. Code Sec. 202.001(1), it will be publicly recorded in Real Property Records of Harris County, Texas, pursuant to Prop. Code Sec. 202.006(b). All amendments, restatements, and supplements to this Policy must also be publicly recorded in Harris County, Texas, unless and until State law clarifies that public recording of administrative policies, such as this Policy, is not required. This provision and the act of recording may not be construed as an assertion by the Association that this Policy, which is administrative in nature, is a "dedicatory instrument." By signing below, the undersigned certifies that the Board of Directors of Westbank Homeowners Association, Inc. adopted this Policy and instructed the undersigned to execute this Policy and effect its recording on behalf of the Association as evidenced in the Minutes of the Monthly Board of Directors Meeting that occurred on December, 19, 2011 at 7:30 p.m. at the Association's Clubhouse located at 8303 West Rd., Houston, TX 77064.

COPIES OF ORIGINAL DOCUMENTS. Any/or all of the documents described in Prop. Code Sec. 209.005(m), above, **may** be scanned, photographed or accurately copied in any other manner, and such digital copies be maintained & kept for statutory retention purposes in lieu of the original document(s). Receipts and invoices printed on heat sensitive paper **shall** be scanned, photographed or accurately copied in any other manner so as to preserve the information which will inevitably become illegible and even disappear on the hard copy original. Specific software program(s) (and/or versions thereof) capable of allowing retained documents to be viewed, read, or copied, must also be available for the entire retention period described required by law and this policy. Digital copies need not contain "boilerplate verbage," or other information not directly and necessarily related to the information of

importance to the WHOA. *Example:* Bank statements frequently contain standard, none WHOA specific language printed on the back of most pages of the statement. That information is not required to understand or interpret the information that is specific to the WHOA or its affairs or transactions or that is the main purpose or intent of the original document. In any specific case, a document is “properly preserved in digital format if said digital reproduction contains all of the information necessary to satisfy the intent of the original document as it related to its intended purpose for the WHOA.

The Board of Directors and/or the Management Company, as its agent, shall assign one or more employees to:

1. oversee any document imaging technology periodically to verify all aspects of the system’s operation; and;
2. Efficiently index scanned images so that digital images are readily accessible for their required retention period; and
3. Ensure that all digital images captured during the scanning process represent an accurate representation of the original document.
4. Perform a final quality check on a sample of digitally imaged documents to guarantee their accuracy and accessibility.

BACKUP PROCEDURE. All digital documents described above to be retained for the statutory retention period *shall* also be “backed up” to an offsite facility, maintained and operated by a third party. Such back ups of the original retained documents shall be stored in an “encrypted” across redundant disk arrays, maintained by the third party vendor. Digital document backup shall occur “automatically” (without the assistance of personnel) on a daily basis. Scanned originals *shall* be kept for a minimum of 72 hours after scanning, after which they *may* be destroyed. Proper adherence to the digital procedures described herein assures the safest retention period possible. Original written physical documents can only be stored in one location. Such documents may be stolen, lost or destroyed by water, fire, smoke, un-authorized persons, or other acts of God. Such lose of the retained images is far less likely.

DELIVERY OF DESCRIBED DIGITAL DOCUMENTS. At least one time during January of each year, all documents from the preceding year as maintained and retained in digital format shall be copied onto at least two other forms of digital media storage, same being physically delivered to the President of the Westbank Homeowners Association, Inc. for handling in a manner as determined at the time by the Board of Directors.

APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS on this the _____ day of December, 2011. This document is to be filed of record in the Real Property Records of Harris County, Texas, on or before the 1st day of January, 2012, as required by law and ordered by the Board of Directors on this day.

Paulann Alleman, President

Virginia Hurlbut, Secretary

Statutory Alternative Payment Arrangements [Pay Out Agreements]

*as required under § 209 Texas Property Code to be filed in the
Real Property Records of Harris County, TX.*

The **Westbank Homeowners Association, Inc. (WHOA)** will make available to all its member homeowners who are delinquent in the payment of regular and/or special assessments and/or any other amounts owed to the association, Pay Out Agreements. Homeowners who follow and do not violate or become delinquent or default will not accrue additional monetary penalties for unpaid but scheduled balances. Monetary penalties DO NOT include the reasonable costs associated with administering the Pay Out Agreement (POA), or the payment of interest on all unpaid amounts, until paid.

1. The minimum term for a Pay Out Agreement will be three (3) months. The first payment shall be at least 10% of the total amount due.
2. The maximum term of a Pay Out Agreement will be eighteen (18) months. The first payment shall be at least 10% of the total amount due. Pay Out Agreements will contain at least 3, but not more than 18 monthly payments, at the sole discretion of the WHOA's Board of Directors or its managing agent.
3. Administrative costs will be \$10.00 for each separate payment allowed under the Pay Out Agreement. All payments will be made by check or money order made out to the Westbank HOA, NO CASH WILL BE ACCEPTED. There will be a \$30.00 fee for any returned check. While the first payment on a POA must be at least 10% of the total amount due, the following monthly payments may be for an amount agreed to by both the WHOA and the delinquent homeowner provided that the payments thus agreed upon would pay of the entire debt in not less than 3 months or more than 18 months from the date the POA is agreed upon and signed.
4. The WHOA and the homeowner may agree on a day of the month on which each month's payments will be due. All payments will be due on the same day of each month. In the event the parties cannot agree on a due day of the month, all payments shall be due on the 1st day of each month and late (and a default) after the 10th day of the month.
5. Any payment not received or postmarked by the tenth (10th) day from and including the due date shall be a default of the Pay Out Agreement. [Example: due on the 1st, but not received or postmarked on or before the 10th constitutes a default] Upon a default, a late payment fee of \$25.00 will be added to the account, but the WHOA does not have to accept any offered payment on a defaulted POA and may pursue any and all other legal methods of collection, at its sole discretion on a case by case basis.
6. Upon a homeowner default (and/or failure to honor the terms) of a Pay Out Agreement (POA), the WHOA is NOT REQUIRED to enter into an additional POA, or extend the defaulted POA, but may do so at its sole discretion based upon the totality of the circumstances in each separate situation as determined by a majority of the Board of Directors in executive session. The WHOA's right not to extend or offer additional POA's after homeowner default shall last for two years, during which time the WHOA may pursue any or all other legal alternatives for collecting the debt in full.
7. The total amount of any homeowner account that becomes payable under the terms of a POA shall for purposes of any applicable "limitations statutes," be "currently owed" as if newly invoiced, on the date the POA is signed by the homeowner.
8. Homeowner and the WHOA must agree to the terms and regulations here and on the attached "Pay Out Agreement," and both parties must sign same. Upon or shortly after signing of the Pay Out Agreement payment coupons will be provided to the paying homeowner, AS A COURTESY, and not as a requirement of the Pay Out Agreement. Payments must be made in accordance with the terms and conditions hereof as stated, not being dependant on any action of the WHOA.
9. The WHOA will not add any additional penalties, or collection costs to any account on which there is a Pay Out Agreement that is not in default and that is in "good standing." Fees that can and will be added

include a per payment administrative fee, and interest at 7.5% (contractual-deed restrictions) or at any higher statutory interest rate.

10. **PAY OUT AGREEMENTS DO NOT INCLUDE ANY FUTURE FEES.** ALL FUTURE MAINTENANCE FEES, FINES, COLLECTION CHARGES, ATTORNEY'S FEES OR SPECIAL ASSESSMENTS THAT ARE INCURRED AND BECOME DUE AFTER A PAY OUT AGREEMENT IS IN EFFECT, (BUT NOT FEES ADDED AS A RESULT OF IMPROPER CHARGES FOR AMOUNTS COVERED BY A PAY OUT AGREEMENT IN GOOD STANDING) MUST BE PAID WHEN DUE. **ANY SUCH AMOUNT BECOMING DUE AFTER THE INITIATION OF A PAY OUT AGREEMENT THAT IS NOT PAID WITHIN 10 DAYS OF THE DUE DATE, SHALL ACT TO PUT THE PAY OUT AGREEMENT INTO A DEFAULT STATUS UNTIL SUCH AMOUNTS ARE PAID IN FULL.** ANY PAYMENTS RECEIVED WHEN THE PAY OUT AGREEMENT IS IN DEFAULT STATUS WILL BE POSTED TO THE HOMEOWNER'S ACCOUNT IN THE MANNER PROVIDED FOR BY §209.0063(b), Texas Property Code.
11. The Delinquent Homeowner and the WHOA agree that the WHOA is currently seeking a Judicial Foreclosure of the Lien on the subject property prior to the acceptance of this agreement. As compensation for the homeowner entering into a Pay Out Agreement, the WHOA agrees to forestall the Foreclosure proceedings, thus saving the homeowner additional fees, pending the successful conclusion of the terms of this agreement. As compensation for the WHOA so doing, the homeowner agrees to "waive expedited foreclosure procedures" as described in §209.0092 and as allowed by §209.0092(c) Texas Property Code in the event of a default of this agreement, at the discretion of the WHOA.
12. If any provision, section or clause of this document or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications hereof which can be given effect without the invalid provision, section or clause, and to this end the provisions of this document are declared to be severable. Any inconsistency or discrepancy between clauses or statements in this document or agreement shall be strictly interpreted in the best interest of the WHOA.
13. In this document, unless the statutory context otherwise requires: (1) words in the singular number include the plural, and those in the plural include the singular; and (2) words of any gender also refer to any other gender.

[The following pages of this Statutory Alternative Payment Arrangements document consist of a copy of the "Pay Out Agreement" that must be signed to officially create the Pay Out Agreement described herein.]

PAY OUT AGREEMENT
BETWEEN MR. & MS. DELINQUENT HOMEOWNER and the
WESTBANK HOMEOWNERS ASSOCIATION, INC. (WHOA)

Mr. & Ms. Delinquent Homeowner and the Westbank Homeowners Association, Inc. (WHOA), each wishing to avoid the necessity of a Suit for Foreclosure or other lawsuits or methods of account collection on the property owned by *Mr. & Ms. Delinquent Homeowner* and located at 1234 Anystreet Ln, Houston, TX 77064 have entered into this agreement as indicated by their signatures hereon and below.

Mr. & Ms. Delinquent Homeowner agree to make the following payments to resolve the entire debt that could become the basis of the WHOA's Suit for Foreclosure or other methods of collection. The WHOA has agreed not to pursue a Suit for Foreclosure or its other remedies so long as all listed payments are received by the Association within 10 days of the due dates as shown below. *Mr. & Ms. Delinquent Homeowner* hereby stipulate to and agree with the total amount of the debt as being newly due as of even date herewith in a total amount as shown on the statement of the account, the receipt of which is hereby acknowledged. *Mr. & Ms. Delinquent Homeowner* agrees to make all of the payments as set out below. *Mr. & Ms. Delinquent Homeowner* understand and agree in the event that a payment is 10 days or more late a Suit for Foreclosure or other collection methods may be filed or pursued against them without any further notice at the sole descretion of the WHOA.

Mr. & Ms. Delinquent Homeowner understand that the WHOA may not send any reminder notices for missed or late payments. It is *Mr. & Ms. Delinquent Homeowner's* responsibility to make all payments when due without reminder notices.

The WHOA hereby advises if *Mr. & Ms. Delinquent Homeowner* will not be able to make a scheduled payment, the Association or its management company should be contacted so that we may try to avoid the start of litigation or other means of collection. The WHOA understands that neighbors sometimes have unexpected situations arise which may make paying difficult, but the WHOA cannot do anything about it if *Mr. & Ms. Delinquent Homeowner* do not make contact to explain the situation. The current balance due on the property is \$ 1,500.00. The parties hereby agree that a \$10.00 administrative fee will be added for each individual payment to be made. Interest will be added to the account during the Pay Out Term at the rate of 7.5% APR, which is contractually allowed in the pertinent Deed Restrictions. The parties agree to the following payment schedule: [Example follows:]

STATUTORY PAY OUT AGREEMENT

Payment #	Date	Beginning Balance	POA FEE	Interest	Payment	Ending Balance
1	November 15, 2011	1,500.00	10.00	12.02	151.00	1,371.02
2	December 15, 2011	1,371.02	10.00	8.45	125.00	1,264.47
3	January 15, 2012	1,264.47	10.00	8.05	125.00	1,157.53
4	February 15, 2012	1,157.53	10.00	7.37	125.00	1,049.90
5	March 15, 2012	1,049.90	10.00	6.26	125.00	941.16
6	April 15, 2012	941.16	10.00	6.00	125.00	832.15
7	May 15, 2012	832.15	10.00	5.13	125.00	722.28
8	June 15, 2012	722.28	10.00	4.60	125.00	611.88
9	July 15, 2012	611.88	10.00	3.77	125.00	500.65
10	August 15, 2012	500.65	10.00	3.19	125.00	388.84
11	September 15, 2012	388.84	10.00	2.48	125.00	276.32
12	October 15, 2012	276.32	10.00	1.70	125.00	163.02
13	November 15, 2012	163.02	10.00	1.04	125.00	49.06
14	December 15, 2012	49.06	10.00	0.30	49.36	0.00

All payments are by check or money order only, no cash. The checks and money orders should be made out to **WESTBANK HOA and mailed to:**

**Westbank HOA
PO Box 2298
Spring, TX 77383**

or such other address as provided in writing by the WHOA or
contained in its statutory Management Certificate as filed in the public records of Harris County, TX.

Mr. & Ms. Delinquent Homeowner acknowledges the receipt of a copy of this Agreement, as well as a coupon booklet for making each payment shown above. *Mr. & Ms. Delinquent Homeowner* also acknowledges receipt of a current statement of her account with the Association, and agrees that it is accurate and acknowledges that it has (again) become due as of the date hereon and below. *Mr. & Ms. Delinquent Homeowner* agree that any and all of their questions regarding this Pay Out Agreement and/or the WHOA account have been answered satisfactorily. *Mr. & Ms. Delinquent Homeowner* acknowledges that they were not forced into signing this agreement and were offered and/or allowed adequate time to consult with a lawyer regarding her rights, duties, and this agreement.

Mr. & Ms. Delinquent Homeowner also agree to all of the terms and conditions contained below which have been filed of record in the Real Property Records of Harris County, Texas.

[[PAY OUT AGREEMENT BETWEEN MR. & MS. DELINQUENT HOMEOWNER and the WESTBANK HOMEOWNERS ASSOCIATION, INC. (WHOA) will also contain a copy of all other sections of this larger document as filed in the Real Property Records of Harris County, Texas.]]

UNDERSTOOD and AGREED TO BY:

_____ Signed on ??/___/20??
Mr. Delinquent Homeowner

_____ Signed on ??/___/20??
Ms. Delinquent Homeowner

_____ Signed on ??/___/20??
Managing Agent, WHOA
[or any Board Member, WHOA]

[[PAY OUT AGREEMENT BETWEEN MR. & MS. DELINQUENT HOMEOWNER and the WESTBANK HOMEOWNERS ASSOCIATION, INC. (WHOA) will also contain a copy of all other sections of this larger document as filed in the Real Property Records of Harris County, Texas.]]

CONTROLLING STATE LAW. The State Law contained in The Texas Property Code or legislation amending same, as shown and described below, may also, at the discretion of the WHOA, be enforced by the WHOA, in lieu of the enforcement of any clause found above and herein, at the sole discretion of the Board of Directors of the WHOA or an agent acting on its behalf.

(e) Section 209.0062 does not apply to a property owners' association that is a mixed-use master association that existed before January 1, 1974, and that does not have the authority under a dedicatory instrument or other governing document to impose fines.

SECTION 2. Chapter 209, Property Code, is amended by adding Sections 209.0062, 209.0063, 209.0064, 209.0091, 209.0092, 209.0093, and 209.0094 to read as follows:

Sec. 209.0062. **ALTERNATIVE PAYMENT SCHEDULE FOR CERTAIN ASSESSMENTS.** (a) A property owners' association composed of more than 14 lots shall adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the property owners' association for delinquent regular or special assessments or any other amount owed to the association without accruing additional monetary penalties. For purposes of this section, monetary penalties do not include reasonable costs associated with administering the payment plan or interest.

(b) The minimum term for a payment plan offered by a property owners' association is three months.

(c) A property owners' association may not allow a payment plan for any amount that extends more than 18 months from the date of the owner's request for a payment plan. The association is not required to enter into a payment plan with an owner who failed to honor the terms of a previous payment plan during the two years following the owner's default under the previous payment plan.

(d) A property owners' association shall file the association's guidelines under this section in the real property records of each county in which the subdivision is located.

(e) A property owners' association's failure to file as required by this section the association's guidelines in the real property records of each county in which the subdivision is located does not prohibit a property owner from receiving an alternative payment schedule by which the owner may make partial payments to the property owners' association for delinquent regular or special assessments or any other amount owed to the association without accruing additional monetary penalties, as defined by Subsection (a).

Sec. 209.0063. **PRIORITY OF PAYMENTS.** (a) Except as provided by Subsection (b), a payment received by a property owners' association from the owner shall be applied to the owner's debt in the following order of priority:

- (1) any delinquent assessment;
- (2) any current assessment;
- (3) any attorney's fees or third party collection costs incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- (4) any attorney's fees incurred by the association that are not subject to Subdivision (3);
- (5) any fines assessed by the association; and
- (6) any other amount owed to the association.

(b) If, at the time the property owners' association receives a payment from a property owner, the owner is in default under a payment plan entered into with the association:

- (1) the association is not required to apply the payment in the order of priority specified by Subsection (a); and
- (2) in applying the payment, a fine assessed by the association may not be given priority over any other amount owed to the association.

The policies described herein have been adopted by the Westbank Homeowners Association, Inc. by and through its Board of Directors on the 19th day of December, 2011. The Board also ordered the Management company to file this document in the Real Property Records of Harris County, Texas as required by law, and to do so before the 1st day of January, 2012.

Paulann Alleman, President

Virginia Hurlbut, Secretary