

**Minutes of the 2015 Annual Meeting
of the Preserve Homeowners Association
(a Texas nonprofit corporation)**

January 29, 2016

TIME AND PLACE OF MEETING

A meeting of the Preserve Homeowners Association (the “PHOA”), a Texas nonprofit corporation (the “Preserve”), was held on the date set forth above at 7:00 P.M. (Central Time), at the home of Mukul and Suman Sharma, 4229 Hidden Canyon Cove, Austin, TX 78746, pursuant to notice duly given to all members of the PHOA.

QUORUM AND ATTENDEES

A majority of the homeowners of the PHOA were present in person or by proxy constituting a quorum.

CALL TO ORDER AND SECRETARY

Mukul Sharma, as President of the PHOA, called the meeting to order at approximately 7:35 PM and reviewed the agenda for the meeting. He then requested that Valerie Luessenhop record the minutes of the meeting.

INTRODUCTION OF ALL OF THE NEIGHBORS

All attendees introduced themselves.

APPROVAL OF FEBRUARY 15, 2015 PHOA MEETING MINUTES

Mukul reviewed the minutes of the PHOA’s February 15, 2015 meeting in the form attached hereto as Appendix A (“Prior Minutes”). After review and upon motion duly made, seconded and unanimously carried, the PHOA adopted the following resolution:

RESOLVED: That the Prior Minutes be and hereby are approved.

REVIEW OF ACTIVITIES DURING THE PREVIOUS YEAR

Mukul discussed the two holiday events (the Halloween gathering at Val Luessenhop's in October as well as the holiday party hosted by the Parker's in December) that the PHOA enjoyed during 2015.

REVIEW OF LANDSCAPING

John Stockton reviewed landscaping issues. (See Appendix B, the attached list of projects that were accomplished.) Projects included replacing the stop sign with an upgraded pole / sign at Canyon Crossing and Westlake, inserting a new signpost at Canyon Crossing and Hidden Canyon, major tree trimming, and replacing mercury vapor lights throughout the neighborhood with LED lights.

John also discussed special projects that are planned for 2016. These include power washing the stones at the front (main) entrance on Westlake Drive and touching up the "local" signs. Special projects will also continue during 2016.

The neighbors expressed appreciation to John and Tina Stockton for all of their work on neighborhood improvements during 2015.

Mukul reported that he had been in touch with Mr. Michael Prince, President of the Rock Cliff Estates Homeowners Association and suggested to them that they too replace their street signs and install light posts similar to the ones we now have. Mr. Prince indicated that they would discuss this at their HOA meeting (held 2 days earlier).

There was also a discussion of children playing in the street without supervision. Parents are advised to make sure children are supervised for more safety since the streets can be hazardous as neighbors come and go, contractors arrive, etc. There is also a recommendation that the KidAlert "Slow / Children At Play" sign which reminds drivers to slow their speed be out only when children are actually playing outside. If it's left out 24/7, it loses its impact.

Installing speed bumps to slow traffic was discussed but the consensus of the neighbors was not to install them.

REVIEW OF BUDGET

Valerie Luessenhop, VP – Administration, reviewed the financials for the PHOA, including 2015 expenses as well as the dues and budget for 2016. See the 2015 financials attached as Appendix C.

There was a discussion about how much of a reserve should be maintained. The consensus was that a reserve of 25% should be maintained. After review and upon motion duly made, seconded and unanimously carried, the PHOA adopted the following resolutions:

RESOLVED: That the 2016 budget be adopted and that the dues for 2016 remain at \$550.00.

RESOLVED (by owners on the private drive): That in 2016 and continuing for an indefinite period thereafter, each homeowner with a home on the Private Drive will be assessed an additional \$100.00 per home per year. These fees will continue to be accumulated in a subaccount within the PHOA account for use in resurfacing the Private Drive in the future.

RESOLVED (by bluff owners): That in 2016, each bluff homeowner will be assessed an additional \$100.00 per home to be used for landscaping maintenance and other repairs.

NEW ITEMS OF BUSINESS

The attention of the PHOA then turned to new business.

Parking. Jonathan Tack brought up the issue of traffic at parties blocking the throughway to the cul-de-sac. Valerie Luessenhop reviewed Sec. 545.301 of the Texas Transportation Code regarding parking regulations (attached as Appendix D). Neighbors hosting parties are requested to ask guests to park on one side of the street only to improve traffic flow and to be careful about not blocking the road. The Travis County Sheriff may be called if roads are blocked. There was also a discussion about the possibility of erecting signage or painting yellow strips on the road to indicate where parking is prohibited but no decisions were made on those suggestions.

LIGHTING

Lighting. Sterling Howry agreed to obtain, at his expense, street light posts to be installed at medians (four of them). The PHOA will install them at its expense. The neighbors expressed appreciation to the Howry's for this.

OFFICERS

The following PHOA members agreed to assume positions as officers of the Preserve for 2016 and 2017:

John Stockton – President

Larry White – VP – Operations

Valerie Luessenhop – VP – Administration

The neighbors expressed appreciation to Mukul (and Suman) Sharma, John (and Tina) Stockton, and Valerie Luessenhop for their service to the PHOA during 2015.

2016 GATHERINGS

The neighbors expressed a desire in 2016 to continue to enjoy a Halloween gathering (in the circle driveway at Valerie Luessenhop's) and a holiday party (host TBD).

2016 ARCHITECTURAL CONTROL COMMITTEE MEMBERS

The Architectural Control Committee remains the same through 2016. Those members are:

Henry Green

Dalya Sachs

Suman Sharma

Tina Stockton

ADJOURNMENT

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was duly adjourned at 8:45 PM.

By Order of the Board of Directors

[Original signed by]

Valerie Luessenhop, VP – Administration

Appendix A

Prior Minutes

**Minutes of the 2014 Annual Meeting
of the Preserve Homeowners Association
(a Texas nonprofit corporation)**

February 15, 2015

TIME AND PLACE OF MEETING

A meeting of the Preserve Homeowners Association (the “HOA”), a Texas nonprofit corporation (the “Preserve”), was held on the date set forth above at 6:30 P.M. (Central Time), at the home of Mukul and Suman Sharma, 4229 Hidden Canyon Cove, Austin, TX 78746, pursuant to notice duly given to all members of the HOA.

QUORUM AND ATTENDEES

A majority of the homeowners of the HOA were present in person or by proxy constituting a quorum.

CALL TO ORDER AND SECRETARY

Mukul Sharma, as President of the HOA, called the meeting to order at approximately 7:00 PM and reviewed the agenda for the meeting. He then requested that Valerie Luessenhop record the minutes of the meeting.

INTRODUCTION OF NEW NEIGHBORS

Mukul introduced the new neighbors.

APPROVAL OF JANUARY 26, 2014 HOA MEETING MINUTES

Mukul reviewed the minutes of the HOA’s January 26, 2014 meeting in the form attached hereto as Appendix A (“Prior Minutes”). After review and upon motion duly made, seconded and unanimously carried, the HOA adopted the following resolution:

RESOLVED: That the Prior Minutes be and hereby are approved.

REVIEW OF BUDGET

Valerie Luessenhop, VP – Administration, reviewed the financials for the HOA, including 2014 expenses as well as the dues and budget for 2015. See the 2015 budget / 2014 expense actuals attached as Appendix B.

After review and upon motion duly made, seconded and unanimously carried, the HOA adopted the following resolutions:

RESOLVED: That the 2015 budget be adopted and that the dues for 2015 remain at \$550.00.

REVIEW OF ACTIVITIES DURING THE PREVIOUS YEAR

Mukul discussed the two holiday events (the Halloween gathering in October as well as the holiday party December) that the HOA enjoyed during 2014.

REVIEW OF LANDSCAPING

John Stockton reviewed landscaping issues. This included replacing the current fluorescent lights with LED lights, addressing maintenance issues, and redoing the “Dogs on Leash” sign and front entrance sign. The Homeowners expressed their appreciation of the new sign that John made and installed showing the home numbers for the residents on the private drive adjacent to Westlake drive (“Private Drive”).

John also discussed special projects that were approved by the Board in 2014 and are currently underway. These include completing the installation of the upgraded pole for the Stop sign and the street sign at the intersection of Hidden Canyon and Canyon Crossing (which are subject to obtaining a license from the county for the breakaway structure) and replacing the light at the same intersection. Special projects will also continue during 2015.

There was also a discussion of the address signage at the front entrance for the Private Drive to make it more prominent (since visitors to the neighborhood often rely on their GPS systems and have trouble finding the Drive).

ARCHITECTURE CONTROL COMMITTEE

During the year the Architectural Control Committee (ACC) approved a submission for interior work (for which approval is not required under the By-Laws) as well as the approval of a fence for the Archer residence at 4111 Hidden Canyon Cove.

NEW ITEMS OF BUSINESS

The attention of the HOA then turned to new business.

The absence of new residents in the HOA was noted and so a discussion ensued on the need to welcome new neighbors into the neighborhood. Most residents agreed that this was a good idea and that something needs to be done to welcome new residents and get them more involved in the HOA.

Larry White brought up the anticipated future need to resurface the Private Drive. A majority of the homeowners with homes on the Private Drive voted to assess each household the amount of \$100.00 per home per year for their use in that future resurfacing beginning with this year’s dues and continuing until sufficient funds are available.

RESOLVED: That beginning with HOA fees due in 2015 and continuing for an indefinite period thereafter, each homeowner with a home on the Private Drive will be

assessed an additional \$100.00 per home per year. These fees will be accumulated in a subaccount within the HOA account for use in resurfacing the Private Drive in the future.

LIGHTING

Al Bialkowski raised the issue of installing light posts through the neighborhood to improve lighting. In 2013, Tina Stockton had obtained an estimate for installing some lights in the HOA. A lively discussion ensued regarding the approvals needed (including county approval although residential approvals aren't needed since that's in the easement permission). Tina will review the estimate obtained last year and what it covered. The idea is to gather information, including what action may be taken on this in the future.

OFFICERS

The following HOA members agreed to assume positions as officers of the Preserve for 2016 and 2017:

John Stockton – President

Larry White – VP – Operations

Valerie Luessenhop – VP – Administration

This slate of officers will be voted on at our next Annual Meeting.

2015 HOLIDAY PARTY

Valerie Luessenhop offered to host the holiday party for 2015.

2015 ARCHITECTURAL CONTROL COMMITTEE MEMBERS

The Architectural Control Committee remains the same through 2015. Those members are:

Henry Greene

Sharon Parker

Melodie Summersett

Rich Sperling

ADJOURNMENT

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was duly adjourned at 8:15 PM.

By Order of the Board of Directors

[Original signed by]

Valerie Luessenhop, VP – Administration

Appendix B

Highlights

- Replaced sign post and stop sign at Westlake Drive and Hidden Canyon Cove x Canyon Crossing
- Upgraded light pole and fixture at corner of Hidden Canyon Cove and Canyon Crossing
- Recycled old light pole to placement at end of Hidden Canyon Cove cul-de-sac to help illuminate the turnaround for cars and pedestrians
- Did major tree trimming in the common areas
- Replaced all old mercury vapor lights with LEDs at front and in islands (now we are 100% LED)
- Christmas light install/removal went very smooth (same vendor as previous year)
- LED Cost-savings looks like \$TBD/month
- Irrigation turned off since November – probably will be March / April before turning it back on for spring/summer

Lowlights

- Water leak in sprinkler system ran up a big water bill in October / November (\$TBD more than usual)
- Loop 360 Water seems to have raised their rates around October / November as well
- Two ACC interactions, no final plans submitted or approved

To-Do's for 2016

- Power wash limestone at both entrances to get rid of mildew
- Touch up lettering on signs
- Consider the addition of one light post + fixture per island (including front island) - total cost about \$1.5-2K each
- Consider top-dressing soil along Westlake Drive (aerate and mulch)
- Freshen website
- Bluff-Lot owners - consider clean-up of trees along canal to make boat access easier (\$100/household)
- Private Drive owners - keep accumulating funds for future use

Appendix C

Financials

The Preserve Homeowners Association
Profit & Loss Budget vs. Actual
 January through December 2015

	Jan - Dec 15	Budget	\$ Over Budget
Income			
4000 · Annual Homeowner Dues			
4000-02 · Private Drive - Repair Acc...	700.00		
4000 · Annual Homeowner Dues - Ot...	17,050.00	17,050.00	0.00
Total 4000 · Annual Homeowner Dues	17,750.00	17,050.00	700.00
4100 · Late Fees	-18.21		
4200 · Reimbursements	18.21	18.61	-0.40
Total Income	17,750.00	17,068.61	681.39
Gross Profit	17,750.00	17,068.61	681.39
Expense			
6000 · Operating Expenses			
6100 · Electric	1,910.76	2,034.81	-124.05
6200 · Landscaping Services			
6210 · Monthly Maintenance	4,453.79	4,070.88	382.91
6220 · Extra Landscaping Services	2,381.45	788.50	1,592.95
6230 · Repairs	539.34	811.16	-271.82
Total 6200 · Landscaping Services	7,374.58	5,670.54	1,704.04
6300 · Water	4,544.72	3,416.13	1,128.59
6000 · Operating Expenses - Other	2.00		
Total 6000 · Operating Expenses	13,832.06	11,121.48	2,710.58
66900 · Reconciliation Discrepancies	-730.00		
7000 · Admin Expenses			
7100 · Administration	-45.83	80.00	-125.83
7200 · Annual Meeting	59.64	158.41	-98.77
7300 · Entertainment			
7310 · Fall Party	44.32	103.00	-58.68
7320 · Holiday Party	567.99	693.00	-125.01
Total 7300 · Entertainment	612.31	796.00	-183.69
7400 · Insurance	1,075.33	1,049.10	26.23
7800 · Website	0.00	269.54	-269.54
7900 · Officer Credit for Services	1,650.00	1,650.00	0.00
7000 · Admin Expenses - Other	-80.00		
Total 7000 · Admin Expenses	3,271.45	4,003.05	-731.60
8000 · Special Projects			
8100 · Lighting	5,834.22	2,248.98	3,585.24
8000 · Special Projects - Other	529.34		
Total 8000 · Special Projects	6,363.56	2,248.98	4,114.58
Total Expense	22,737.07	17,373.51	5,363.56
Net Income	-4,987.07	-304.90	-4,682.17

8:46 PM

01/24/16

Accrual Basis

The Preserve Homeowners Association
Profit & Loss Budget vs. Actual
January through December 2015

	<u>% of Budget</u>
Income	
4000 · Annual Homeowner Dues	
4000-02 · Private Drive - Repair Acc...	
4000 · Annual Homeowner Dues - Ot...	100.0%
Total 4000 · Annual Homeowner Dues	104.1%
4100 · Late Fees	
4200 · Reimbursements	97.9%
Total Income	104.0%
Gross Profit	104.0%
Expense	
6000 · Operating Expenses	
6100 · Electric	93.9%
6200 · Landscaping Services	
6210 · Monthly Maintenance	109.4%
6220 · Extra Landscaping Services	302.0%
6230 · Repairs	66.5%
Total 6200 · Landscaping Services	130.1%
6300 · Water	133.0%
6000 · Operating Expenses - Other	
Total 6000 · Operating Expenses	124.4%
66900 · Reconciliation Discrepancies	
7000 · Admin Expenses	
7100 · Administration	-57.3%
7200 · Annual Meeting	37.6%
7300 · Entertainment	
7310 · Fall Party	43.0%
7320 · Holiday Party	82.0%
Total 7300 · Entertainment	76.9%
7400 · Insurance	102.5%
7800 · Website	0.0%
7900 · Officer Credit for Services	100.0%
7000 · Admin Expenses - Other	
Total 7000 · Admin Expenses	81.7%
8000 · Special Projects	
8100 · Lighting	259.4%
8000 · Special Projects - Other	
Total 8000 · Special Projects	283.0%
Total Expense	130.9%
Net Income	1,635.6%

The Preserve Homeowners Association
Balance Sheet
As of December 31, 2015

	<u>Dec 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1001 · BOA-General	
1001.1 · Bluff Owners F...	377
1001.2 · Private Drive Fu...	700
1001 · BOA-General - Ot...	<u>2,198</u>
Total 1001 · BOA-General	<u>3,275</u>
Total Checking/Savings	3,275
Other Current Assets	
1200 · Undeposited Funds	<u>650</u>
Total Other Current Assets	<u>650</u>
Total Current Assets	<u>3,925</u>
TOTAL ASSETS	<u>3,925</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	<u>166</u>
Total Accounts Payable	<u>166</u>
Total Current Liabilities	<u>166</u>
Total Liabilities	166
Equity	
3000 · Opening Balance Eq...	8,725
3200 · Retained Earnings	21
Net Income	<u>(4,987)</u>
Total Equity	<u>3,759</u>
TOTAL LIABILITIES & EQUITY	<u>3,925</u>

Appendix D

Parking

SUBCHAPTER G. STOPPING, STANDING, AND PARKING

Sec. 545.301. STOPPING, STANDING, OR PARKING OUTSIDE A BUSINESS OR RESIDENCE DISTRICT. (a) An operator may not stop, park, or leave standing an attended or unattended vehicle on the main traveled part of a highway outside a business or residence district unless:

(1) stopping, parking, or leaving the vehicle off the main traveled part of the highway is not practicable;

(2) a width of highway beside the vehicle is unobstructed and open for the passage of other vehicles; and

(3) the vehicle is in clear view for at least 200 feet in each direction on the highway.

(b) This section does not apply to an operator of:

(1) a vehicle that is disabled while on the paved or main traveled part of a highway if it is impossible to avoid stopping and temporarily leaving the vehicle on the highway;

(2) a vehicle used exclusively to transport solid, semisolid, or liquid waste operated at the time in connection with the removal or transportation of solid, semisolid, or liquid waste from a location adjacent to the highway; or

(3) a tow truck, as defined by Section 545.157(e), that is performing towing duties under Chapter 2308, Occupations Code.

Sec. 545.302. STOPPING, STANDING, OR PARKING PROHIBITED IN CERTAIN PLACES. (a) An operator may not stop, stand, or park a vehicle:

(1) on the roadway side of a vehicle stopped or parked at the edge or curb of a street;

(2) on a sidewalk;

(3) in an intersection;

(4) on a crosswalk;

(5) between a safety zone and the adjacent curb or within 30 feet of a place on the curb immediately opposite the ends of a safety zone, unless the governing body of a municipality designates a different length by signs or markings;

(6) alongside or opposite a street excavation or obstruction if stopping, standing, or parking the vehicle would obstruct traffic;

(7) on a bridge or other elevated structure on a highway or in a highway tunnel;

(8) on a railroad track; or

(9) where an official sign prohibits stopping.

(b) An operator may not, except momentarily to pick up or discharge a passenger, stand or park an occupied or unoccupied vehicle:

(1) in front of a public or private driveway;

(2) within 15 feet of a fire hydrant;

(3) within 20 feet of a crosswalk at an intersection;

(4) within 30 feet on the approach to a flashing signal, stop sign, yield sign, or traffic-control signal located at the side of a roadway;

(5) within 20 feet of the driveway entrance to a fire station and on the side of a street opposite the entrance to a fire station within 75 feet of the entrance, if the entrance is properly marked with a sign; or

(6) where an official sign prohibits standing.

(c) An operator may not, except temporarily to load or unload merchandise or passengers, park an occupied or unoccupied vehicle:

(1) within 50 feet of the nearest rail of a railroad crossing; or

(2) where an official sign prohibits parking.

(d) A person may stop, stand, or park a bicycle on a sidewalk if the bicycle does not impede the normal and reasonable movement of pedestrian or other traffic on the sidewalk.

(e) A municipality may adopt an ordinance exempting a private vehicle operated by an elevator constructor responding to an elevator emergency from Subsections (a)(1), (a)(5), (a)(6), (a)(9), (b), and (c).

(f) Subsections (a), (b), and (c) do not apply if the avoidance of conflict with other traffic is necessary or if the operator is complying with the law or the directions of a police officer or official traffic-control device.

(g) If the governing body of a municipality determines that it is necessary to improve the economic development of the municipality's central business district and that it will not adversely affect public safety, the governing body may adopt an ordinance regulating the standing, stopping, or parking of a vehicle at a place described by Subsection (a)(1), other than a road or highway in the state highway system, in the central business district of the municipality as defined in the ordinance. To the extent of any conflict between the ordinance and Subsection (a)(1), the ordinance controls.

Sec. 545.303. ADDITIONAL PARKING REGULATIONS. (a) An operator who stops or parks on a two-way roadway shall do so with the right-hand wheels of the vehicle parallel to and within 18 inches of the right-hand curb or edge of the roadway.

(b) An operator who stops or parks on a one-way roadway shall stop or park the vehicle parallel to the curb or edge of the roadway in the direction of authorized traffic movement with the right-hand wheels within 18 inches of the right-hand curb or edge of the roadway or the left-hand wheels within 18 inches of the left-hand curb or edge of the roadway. This subsection does not apply where a local ordinance otherwise regulates stopping or parking on the one-way roadway.

(c) A local authority by ordinance may permit angle parking on a roadway. This subsection does not apply to a federal-aid or state highway unless the director of the Texas Department of Transportation determines that the roadway is wide enough to permit angle parking without interfering with the free movement of traffic.

(d) The Texas Department of Transportation, on a highway under the jurisdiction of that department, may place signs prohibiting or restricting the stopping, standing, or parking of a vehicle on the highway where the director of the Texas Department of Transportation determines that stopping, standing, or parking is dangerous to, or would unduly interfere with, the free movement of traffic on the highway.

(e) To the extent of any conflict between Subsection (a) or (b) and a municipal ordinance adopted under Section 545.302(g), the ordinance controls.