

Minutes of NLLOA Board of Directors Meeting

March 15, 2005

Michelle Kircher, President called the meeting to order at 7:10 PM.

Board Members present: Elmer Friedrich, Vice President; Lee Leeper, Secretary; Bob Redoubtey, Treasurer, and Lewis Cogdell, Restrictions. Absent: Debbie Purcell, Roads.

Guest Speaker: Les Romo, Attorney. The Board invited Mr. Romo to speak first, so he wouldn't have to stay for the whole meeting.

Mr. Romo asked if we had a City Council representative. The answer was "No" because it was felt that the city has minimal influence concerning NLLOA affairs. Mr. Romo reviewed parliamentary procedures and suggested that we follow these procedures so that our records would hold up to outside scrutiny (if we have to go to court). He said that in order to have a strong position for enforcing CCRs (Codes, Covenants, and Restrictions), we must be able to demonstrate a history of having enforced the CCRs in the past. We will need copies of our letters related to violations and enforcement. If not enforced, CCRs will be considered by the court to have been abandoned, and once abandoned, recovery will not be possible. A defense might be that we cannot be held accountable for the actions, or inactions, of previous boards. We should send demand letters written by an attorney with a copy of deed restrictions attached and give a deadline for response, usually 5 to 10 days. This may be challenged if we haven't shown a pattern of enforcement. We need to get records organized to prepared for probable discovery request from opposing attorneys (Action: Lee Leeper, assisted by Michelle Kircher, if requested). Ed Pastore may have information on previous actions. Michelle asked about the costs of having an attorney handle the process. Mr. Romo normally charges \$200/hour, but will discount it to \$180/hour for us. He said that the probable cost of prosecuting a case in which a vigorous defense is mounted would be in the \$3 to \$5,000.00 range. We already know that previous boards have waived restrictions, but this doesn't necessarily limit what we do now. The Board agreed that a decision regarding hiring an attorney could not be made at this time, but we will discuss and let Mr. Romo know if we want him to represent us. Mr. Romo said that 90% of cases are settled out of court and that Williamson County requires mediation in order to minimize court costs and workload. He said that our restrictions are "loose and old", but we must enforce what we have. It will cost about \$350.00 to start enforcement action. If previous enforcement letters have been ignored, trying to resolve through a face-to-face meeting will not likely be effective. Mr. Romo excused himself at this point, and the Board resumed discussions.

The minutes from the previous meeting were reviewed and approved with minor changes.

Treasurer's Report was given by Bob Redoutey (through 3/15/05)

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| <u>Beginning Balance (2/1/05)</u> | | <u>\$6700.94</u> |
| <u>Deposits (2)</u> | \$260.00 | |
| Money Market | \$6.90 | |
| <u>Total Deposits:</u> | <u>\$266.90</u> | |
| <u>Expenses:</u> Jan. Newsletter | \$65.00 | |
| Pedernales Light Transfer | \$100.00 | |
| Pedernales Light Cost (1 year) | \$286.18 | |
| <u>Total Expenses:</u> | <u>\$451.18</u> | |
| <u>Ending Balance:</u> | | <u>\$6516.66</u> |

Membership: Elmer Friedrich has a current list of property owners available for 'need-to-know' individual. Can't be widely distributed because of privacy issues. We need around 200 members to remain a viable organization. We currently have 76 members. Michelle: We need to get more members to annual meetings. Consider handouts to save postage and to personalize the request. Discussion: Consider door prizes or other incentive to increase interest. Parking was a problem at the January meeting, even with a small turnout. Picnics have been tried, but have not received much response. We should send out small number of solicitation for membership (10-15), and follow-up, rather than a mass mail-out with no follow-up.

Restrictions (Lewis Cogdell): Five building applications have been approved since the last meeting. Michelle: two to three houses on Neches under construction have not been approved. Ask Debbie Purcell (Roads) to check new construction and report to Lewis. Discussion: some insurance companies consider Hardy Plank masonry. Lewis had a picture of a completed home in North Lake which had three sides of Hardy Plank painted red, which in the opinion of most board members was not very attractive.

CCR Violations: Lee: Are we considering going against all violators simultaneously? Michelle: We should start with dumping violations first. Any trash with names should be turned over to the Sheriff's Department or the Game Warden. Consider turning flagrant violations over to the Sheriff or Health Department. One violator lives in Austin, zip code 78753. Elmer will call. Triple H Trucking (using residential area for commercial purposes, including storage of trailers, trash, dumping dirt and other materials, excessive early; morning/late evening noise from turning trucks around in residential "buffer" area). No one is in the office during the day, is apparently a cell phone operation. Michelle: We lose time if we make personal calls and nothing happens. Elmer: We should send separate letters to each operation citing specific violations, with a copy of deed restrictions, rather than using a broad-brush approach. Other concerns: Gregor Automotive Repair (abandoned vehicles in residential area behind his area), Builder not complying with deed restrictions (Lewis has name) and trucking company operating out residential area (behind animal hospital). Michelle will draft a letter for Board review/approval. We will go against the three main individuals. We will include our decision in the next newsletter and will ask "The Sun" to run an article. Elmer will make one attempt to resolve this matter before we get an attorney involved.

The meeting adjourned at 8:40 PM.

Lee Leeper, Secretary