

SONTERRA PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Held at The Management Company at Stone Oak-Sonterra
July 23, 2009 – 8:30 AM

Directors Present

Vincent Nazzaro, Dayna Rinklin, John Tracy, Bill Wuest

Directors Absent

Bernie DeNisio, Rick Faner, Mark Neneman

Guests

Tonja Condor, Ray Jansure, Josephine Stevens
Chief Marvin Tillman arrived at 10:22 AM

A quorum was established and the meeting was called to order at 8:30 AM by Mr. Wuest.

The Minutes of June 25, 2009 were corrected by changing the first sentence on page 1, paragraph 5 to “Mr. Wuest noted that in prior fiscal years, the Board addressed a deficit in the last quarter by rolling over some invoices to the first quarter of the New Year.” Mr. Nazzaro asked that his objection to submitted statements being attached at the end of the minutes instead of being inserted into the body of the minutes be noted. A motion to approve the minutes as corrected was made by Ms. Rinklin, seconded by Mr. Tracy, and passed unanimously.

Unanimous Consents

Mr. Wuest stated the contract for Oliver & Associates, P.C.-Plan A was approved and accepted by unanimous consent.

The Gardens of Sonterra LPR Camera

Mr. Wuest moved that an expenditure not to exceed \$2,006.02, including tax, to be paid from the Capital Account be made for the purchase and installation of an LPR camera at The Gardens of Sonterra entrance. Ms. Rinklin seconded the motion and it passed unanimously.

Financials and YTD Capital Expenses

Mr. Wuest asked whether the Actual Expense amount for Maintenance on p. 9 reflected recent invoices from the Al Franz Fence Company. Mr. Jansure confirmed that invoices had been received and paid for work already completed on the walls and fences. After discussion, the Board requested that the Transfers to Reserve line item be moved to the beginning of the Schedule of Revenue and Expenses sheet, see pp. 8-9. Ms. Rinklin moved to accept the Financial Statements. The motion was seconded by Mr. Wuest and passed unanimously.

Sonterra Capital Suit Status

Mr. Jansure reported that there is disagreement on the amount still owed to the Association by Sonterra Capital. Counsel for the Association has added a forensic accountant to his team, and the Sonterra Capital accountant will be asked to meet with our forensic accountant to address differences. Any outstanding amounts can still be addressed through garnishment. The Board

fully supports counsel's continued pursuit for payment. Mr. Jansure clarified that since the forensic accountant was hired by counsel, any additional fees incurred should be covered by the suit.

Finance Committee

Mr. Jansure reported that special assessments from the Midlands, Breezes, and Vistas were being entered as repayment of loans and currently deposited to the Operating Account instead of the Capital Account. The Board decided to have the Finance Committee discuss options for handling the special assessment deposits.

Mr. Nazzaro asked if it is appropriate to have a non-board member resident serve on the Finance Committee. Mr. Wuest will ask counsel if there are legalities involved. Mr. Nazzaro asked Mr. Jansure to provide details on the history of assessments in The Breezes, Vistas, and Midlands for the next Finance Committee Meeting.

Club Matters

Mr. Neneman was unable to attend the meeting so a formal report was not entered. Ms. Rinklin commended The Club at Sonterra for hosting "the best ever" 4th of July Celebration.

Architectural Review Committee

Mr. Tracy reported that Janet Robinson from The Midlands has joined the ARC Committee. Mr. Nazzaro asked how a storage building recently erected at one of the residences in The Oaks was being addressed since the Declarations and Covenants of The Oaks do not allow outbuildings. Ms. Condor will follow up with counsel. Mr. Wuest advised that due to the unkempt condition of the fenced lot on Kristen Way due to ongoing projects, he will discuss with Mr. Faner having the owners come to an ARC Meeting to explain. Mr. Wuest will attend the ARC Meeting if this is arranged.

Maintenance Standard for Yards

Mr. Jansure asked the Board for guidance on handling non-compliance for yard maintenance. The Board agreed that while the drought conditions have affected many lawns, the need to remove weeds in flowerbeds, edge lawns, and maintain an overall neat appearance remains. Property owners may eventually need to re-sod their yards. Mr. Jansure reviewed an issue in The Midlands regarding a property for sale with a history of complaints (i.e., insufficient maintenance resulting in a swimming pool with foul smelling, mosquito breeding water and front yard landscape almost totally dead). The latest information from the property manager is that the owner does not want to pay for any outside maintenance. Mr. Tracy asked what provisions for yard maintenance could be made for another property that may be in foreclosure. Mr. Jansure will research costs to do mowing and edging of homes that are in foreclosure. Ms. Condor was asked to speak with counsel about procedures to address non-compliance for yard maintenance.

District 9 Neighborhood Alliance

Mr. Wuest submitted a copy of the Minutes of the June 24, 2009 District 9 Neighborhood Alliance Meeting. Mr. Wuest thought it would be worthwhile for the Association to become a member of the Alliance. The item will be added to the August agenda. The Association agreed

to invite District 9 City Councilwoman Elisa Chan and her Staff to the September Quarterly Meeting with the Area Representatives.

Stone Oak Neighborhood Representatives Committee

Mr. Wuest reported that the Stone Oak Neighborhood Representatives Committee has invited the Association to select a representative for Sonterra. Ms. Condor will forward more information to Mr. Wuest.

A break was taken at 10:02 AM. The meeting reconvened at 10:15 AM.

Landscape Committee

Mr. Wuest reported that he had no updates from the Landscape Committee.

Delinquency Report

Reports from both The Carlton Co. and the management office had been previously provided for review.

The Management Company

Ms. Rinklin submitted a report on The Management Company which is attached to and made a part of the minutes. The accepted bid from the Montopolis Group includes a new server, replacement of all desktop computers, software, local UPS, offsite backup, and a service contract.

Awareness Committee

The report from the July 15, 2009 Awareness Committee Meeting was submitted in the Board Packet. Chief Tillman emphasized that automobile break-in incidents in The Breezes and Highlands occurred within a one-night period. The newly installed rapid recovery gate arm in The Gardens has worked well with no complaints from residents. A similar gate plan for The Highlands will be implemented next but a start date has not been determined. Security has not had any incidents related to curfew violations for children.

Walls and Fences

Mr. Jansure said two properties in La Cierra were added to the wall and fence repair list along the golf course, which will increase the cost of the project to near \$50,000. The Board's consensus was to move forward with the repairs of those walls. A golf course crew has done a good job clearing a 38" path behind one wall on the list. Repairs in The Fairways will begin in August. In response to a concern voiced by a resident, Mr. Jansure verified that the paint being used can be applied at up to 120° F air temperature.

Street Repair Plan

Mr. Jansure reported that Ms. Brandy Baker, Four B Paving, Inc., had concluded that patches in The Meadows and crack seal in The Oaks would be sufficient for street repairs. Mr. Wuest moved to approve the expenditure for Four B Paving's bid for street repairs in The Enclave, Fairways, Meadows, Midlands, Oaks, Waters, and La Cierra not to exceed \$48,000 out of the Capital Account. The motion was seconded by Ms. Rinklin and passed unanimously.

Short Term Property Rentals

With regard to the renting of properties on a "short-term" basis, counsel has advised that unless a minimum rental period is specified in the covenants for the subdivision, there is no prohibition.

Treaty Oak/Flair Oak Common Area

Mr. Jansure presented a bid of \$4,865.62 from McFadden Lawn Service to clear the corner area at Treaty Oak and Flair Oaks owned by the Association. The work includes clearing the property of trash, left over rebar or other construction materials, removing brush and small cedar trees, and removing lower tree limbs up to an 8 to 12 foot height. This will allow access for mowing equipment in the future. Ms. Rinklin moved to accept the McFadden bid to improve the lot owned by Sonterra at the corner of Treaty Oak and Flair Oaks. The motion was seconded by Mr. Tracy and passed unanimously. Mr. Jansure will confirm whether it is appropriate for this one time expenditure to be paid out of capital expenses, and will also contact a resident who had previously expressed interest in purchasing the property to see if he is still interested.

The Vistas at Sonterra

The task of preparing tax returns for The Vistas at Sonterra HOA common area owned by the Association can be handled by Jim Oliver & Associates, P.C. Mr. Jansure will follow up on the procedure to add incurred tax return costs to the property assessments in The Vistas. Property taxes on the common area should be handled in the same manner.

Steubing Ranch Development

Mr. Jansure reported that the City of San Antonio may try to form a PID to cover costs of extending Hardy Oak. Mr. Nazzaro suggested that as a part of supporting the Steubing Development, the Association should lobby District 9 City Councilwoman Elisa Chan to increase police support for Huebner Road and Stone Oak Parkway.

Newsletter

Mr. Wuest will send Ms. Condor information for an article on the future xeriscaping of the Sonterra entrances. Ms. Rinklin will assist in submitting an article about The Management Company moving into new office space.

The meeting adjourned at 11:17 AM.