

**Westwood Landowners' Association
Annual Meeting
June 9, 2018 Meeting Minutes
Magnolia, TX 77354**

Annual Meeting: The Board of Directors of the Westwood Landowners' Association (WWLOA) convened in an annual meeting open to all Members of WWLOA at the Wildwood United Methodist Church located at 8911 FM 1488, Magnolia, TX 77354 at 10:00pm.

Quorum Present: Pat Troy, Vice President (acting President)
Diana Maichetti, Treasurer
Mike Pidotella, Secretary

Call to Order: Vice President called the meeting to order at 10:20am

1. Welcome and Verification of a Quorum for Voting
 - The Vice President announced that we have a quorum and that we can continue. The Vice President introduced the other members of the Board.
 - The Vice President turned the election portion of the meeting over to the Secretary.
2. Call for Nominations from the Floor
 - The Secretary called for nominations from the floor for President
 - i. There were no nominations from the floor for President
 - The Secretary called for nominations from the floor for Treasurer
 - i. Dana Hopper, 7010 Ramblewood Dr., nominated herself for Treasurer
 - The Secretary called for nominations from the floor for Member-at-Large
 - i. There were no nominations from the floor for Member-at-Large
3. Nominee presentation and Q & A

The Secretary announced that Julie Vanderhorst, candidate for member at large informed the Board that she would not be able to attend. The Vice President explained that Julie Vanderhorst, the current Member-at-Large, was called away on a family emergency.

The Secretary invited all candidates to come up to the stage for their 3 minute talk to be followed by a question and answer period.

Candidates in attendance:

- Emmitt Hippler for President
- Pat Troy for President
- Paul Withington for President
- Dana Hopper nominated from the floor for Treasurer
- Diana Maichetti for Treasurer

Candidates not in attendance:

- Troy Ita for President
- Sterling (Lyn) Lemons for Treasurer
- John Haines for Member-at-Large
- Mark Tarhalla for Member-at-Large
- Julie Vanderhorst for Member-at-Large

All candidates present gave their presentation to the members.

A member stated that a reason was given as to why one candidate was not at the meeting and asked about the other candidates. The Secretary stated that he did know why they were not in attendance and that the only candidate that provided a reason for not being able to attend was Julie Vanderhorst, candidate for Member-at-Large. Another member stated that she knew that Sterling Lemons, Candidate for Treasurer, could not attend because he was out of town for work.

The candidates took questions from the floor:

- Question - For Pat Troy:
 - Member from the Floor: Do you agree with the board, or member or the board, giving a contract to someone and before the job is started turnaround and giving it to someone else? A member of the board who was not here told a contractor that they had the contract to do some work and before they got started that contract was given to another person.
 - Response from Pat Troy: Pat Troy recalled the contract and explained that the board is required to get three bids. Julie was getting the bids. One bid came in late. The bylaws require three members of the board approve a bid. The board chose the bid that was a better bid. It was a fair price and better for Westwood.
 - Member from the Floor: She gave the contractor a verbal and a written notice that the board had approved the bid and to proceed. Before the work could be started it was given to someone else. Which seems to be an ethical violation.
 - Response from Pat Troy: Pat Troy stated that he was told that the person that you are talking about wasn't sure he would have the crews to do the work by the time the pools were supposed to open. He said he would try to move the crews around and try to meet the WWLOA needs. The other bid that came in was less money and had the crews available. It seemed prudent to take that offer.
- Question – For all candidates:
 - Member from the Floor: Can you give me your perspective on what you think the duties of your position that you're running for are?
 - Response from Paul Wethington:
 - For the position of the president Paul stated he would be just another member of the board.
 - Paul would be the spokesperson for when we have a meeting and would be the one that would be opening the meeting and closing the meeting.

- All decisions are made by the board. Paul would be one of five people making the decisions and that's the way it should be.
 - Paul was a member of a subdivision, where they ousted the board. Paul then got elected President and has the experience.
 - Any member can say whatever they want to. But for the sake of having organized meetings, the president sets the agenda for everything.
 - We are just part of a team.
 - Response from Emmitt Hippler:
 - Just what Paul stated right there.
 - Response from Pat Troy:
 - As president of the LOA our responsibilities are the same as all of the other board members.
 - Hopefully the president will bring some leadership to the role.
 - The president does not make the agenda. It's the board that decides what the agenda is.
 - The only thing the president does different is that he chairs the meetings.
 - Pat reminded the members of his vision for the board in his opening statement.
 - Response from Dana Hopper:
 - As the treasurer Dana would be responsible for presenting the financials to the members.
 - Dana shows what entries were made, for that month, for the Sheriff's Citizens Alumni. You will see online what checks were written out and what deposits are coming in. That is important to Dana.
 - It's a board effort.
 - Dana has some law enforcement friends in the organizations she is with. One of them said stay in your own lane. You do the job you were elected for don't try to do everybody else's job. This is advice Dana took.
 - Response from Diana Maichetti:
 - As a director, with the title of treasurer, Diana has the fiduciary responsibility to act in the best interest of the LOA.
 - Diana ensures the confidentiality of certain information like what the employees make.
 - Diana noted that the board has started to give out the financial information for the LOA at every monthly meeting. Previous boards only gave this out at the annual meeting. Diana would like to put this on the Website.
- Question – For all candidates for president:
 - Member from the Floor: Are you going to clean up these streets? Are you going to get rid of all these people running business in the subdivision? This is supposed to be a homeowner's home not business. I have a junkyard on my street. They have four or five junk cars and have been

repairing cars for over a year and I have fussed and fussed. I want to know if you three are going to take these businesses out of the streets?

- Response from Paul Wethington:
 - We shouldn't have junk cars in people's driveways.
 - Paul shared, that, two doors down from him there is an older couple and the husband is in poor health. Their two cars, closest to the garage door, have not been moved in over a year. Paul knows it is against the Deed Restrictions. As president Paul would offer to help.
 - Member from the Floor: The member stated that Paul response is not an answer to the question. The member stated that they are running a car repair business from their house.
 - Paul responded that they were granted a variance a long time ago and there is nothing he can do about a variance that was granted.
 - Paul said if you give me a list of the businesses he will do something about it and junk cars need to be moved.

- Response from Emmitt Hippler:
 - Emmitt agrees that no business should be run out of homes.
 - People have started their work business from their house. Emmitt is in favor of doing whatever necessary there is, if we can prove they are running a business out of their house.

- Response from Pat Troy:
 - Pat stated that the board has been somewhat limit in what the can do because they did not have a fine schedule that they could enforce. There were a couple of fine schedules that were filed with the county but they were not in out governing documents and were not enforceable.
 - Pat stated that the board just approved a fine schedule to be put into the bylaws. As soon as it is filed with the county it will be enforceable and the board will be able to fine these people and put a stop to some of this stuff.
 - Member from the Floor: The member that asked the question about the junk cars and car repair business repeated her frustration with this going on.
 - Pat stated that he was not familiar with this specific situation but would get the information and it would be the first one the board looks into when the fine schedule is in place.
 - Member from the Floor: The member stated that Joel knows about this.
 - Pat asked Joel if he knows what the member is talking about.
 - Joel responded from the floor: Joel is familiar with this situation.
 - Pat said that he would get together with Joel to get the details and start a list of places the board needs to deal with as soon as the bylaws are filed with the county.

- Question – For all candidates:
 - Member from the Floor: The member stated the she and Diana Maichetti went around and got more than the 51% of the signatures needed for the

permit to allow metal building to be built in our neighborhood and asked how long does it take to go into effect? The Secretary clarified that this pertains only to section 4.

- Response from Diana Maichetti:
 - Diana stated this is the first time someone took the initiative to get things done.
 - Diana stated the signatures have been verified and should have gone to the attorney on Thursday, she thinks, to prepare the document to be filed.
 - Diana stated now that we know what the procedure should be it should go quicker in the future.

- Response from Pat Troy:
 - Pat stated that he had not seen a copy of the signatures yet and that that anyone attested to the fact that they were verified.
 - Pat asked the members if anyone was involved in the verification process. A member involved in the process, along with board members, noted that it is a tedious process and a number of them have been verified.
 - Pat acknowledged that there appears to be some confusion. He talked with Julie and thought the verification process had been completed. Pat said he will look into it to find out and acknowledge that it is a long process.
 - Pat stated that as soon as the verification process completion is confirmed they will go to the attorney. After the attorney creates the actual document, the board will file it with the county and then section 4 will be allowing metal buildings.
 - Member from the Floor: The member that asked why they had to be verified.
 - Pat responded that it was a legal process that needs to be performed. The verification process was laid out by the attorney.
 - Pat stated if someone comes to the board and says I have all these signatures to this or that, the board needs to do their due diligence to verify the signatures.

- Response from Paul Wethington:
 - Paul added that anytime you have something like that people want instant gratification and it's not going to happen. There are checks and balances that have to be done to ensure fairness for every resident in your section. It's not an easy process and I will defend the board up here because it is a check and balance and they are doing it the right way.

- Question – For all candidates:
 - Member from the Floor: We are in section 2 and there is a lot of development going on along Tamina Rd. I've been out here for 17 years and I remember when Tamina Rd. was nice with trees and grass. Because of what is going on now there is no consideration for us. The asphalt is being broken and cement trucks are coming as early as 3 o'clock in the morning to lay concrete. In addition, while heading over

here, there were five trucks in the median. The businesses there aren't using the turn arounds at the intersecting streets that have asphalt. They decided to make their own cross over through the median. Subsequently, the median which was very nice in the pass is this sink hole and I would like to know what can be done about this?

- Response from Paul Wethington:
 - Paul stated that there are laws that don't allow the businesses to turn wherever they want to turn.
 - Paul stated that we pay constables 40 hours a week and they should monitor that and we also have the County Sheriff's Dept. that's supposed to be patrolling also.
 - Paul thinks we should bring it to their attention because it probably hasn't been brought to their attention before. People who live along there should call in and complain about it.
 - Paul stated that we as a board can tell the constables and sheriff's dept. But the citizens complaining can effect change. The constables and sheriff's office can't be there 100% of the time.
 - Paul stated that he promises that if you complain to the sheriff's office and the constable's office enough they will put people out there to monitor that.

- Response from Emmitt Hippler:
 - Emmitt stated that he lives in section 2 and he is well aware of the traffic, parking and turn around on Tamina and just recently when they have the flea market going on, they park all out in the middle and such.
 - Emmitt stated that the constables were called recently and they came out there and they said as long as a vehicle is not left unattended they can park there.
 - Emmitt believes the turnaround is a commissioner's question and we would have to check with the commissioner to see if he could put up a cable or something.
 - Emmitt suggested everyone get on the constables and the commissioner and let's see if we can get some help with it.

- Response from Pat Troy:
 - Pat stated that Commissioner Charlie Riley was invited but is not here.
 - Pat's understanding is that it is county property and we have no jurisdiction.
 - Pat commented that there was a parking issue with the Farmer's Market early on and he believes that's been resolved.
 - Pat commented that Emmitt is right you need to call the sheriff and constable and report these issues.
 - Member from the floor asked Pat if he would be opposed to Tamina being curbed with concrete so they can't cross over. The member stated that the Westwood Magnolia Parkway Improvement District could provide the Curbing.
 - Diana asked the member (identified as Tom Grayson with the Westwood Magnolia Parkway Improvement District, WIMPED)

how to contact WIMPED about the curbs. Mr. Grayson stated the meetings are the second Friday of the month at Woodforest golf course and that it would be good to have representation from the WWLOA board at the WIMPED meetings.

- Pat stated that he would be at Mr. Grayson's office Monday morning to follow up.
- Question – For all candidates:
 - Member from the Floor: When the Target was being proposed they showed residents a display with all the trees still there, yet they came in and knocked down all the trees. They are doing the same thing on Tamina. What can we do as a subdivision to protect our trees? They deceived us when we voted for that on Tamina because they showed us there were still trees and they knocked them all down.
 - Response from Pat Troy:
 - Pat stated that Target is not part of Westwood so we had nothing to do with that.
 - A member from the floor stated that we voted on it.
 - Pat stated that Target is not part of our subdivision.
 - Pat stated that these things are not restricted in our deed restrictions.
 - Pat stated that 40 years ago when Landcraft set things up, they designated which lots were commercial. If you want to change the deed restrictions to cover some of those things, you get 51% of the people to agree to the change. You get involved and you make it happen.
- Question – For all candidates:
 - Member from the Floor: What can be done to prevent the board from becoming a dictatorship and not taking it upon themselves to change the bylaws as has been done in the past? Bylaws can be voted on by the board. However it requires a vote of 51% majority vote of the landowner's as well.
 - Response from Paul Wethington:
 - Paul stated that you have an opportunity right now. Every year we have elections. This year we have 3 directors that are being elected. Next year there will be 2.
 - Paul stated that the other thing you can do, as a resident, is to attend the monthly meetings and voice your opinion. If enough people voice their opinion, the board will take action. But if you just sit back and fume about it and don't say anything about it, nothing is going to happen.
 - Response from Emmitt Hippler:
 - Emmitt stated that the only time he remembered the bylaws being changed in the last 10 years is recently. I don't recall that happening before then.
 - Emmitt stated that before you change the bylaws, you have to get 51% of the people to agree.

- Diana asked Emmitt if he remembers changing the bylaws in 2013 pointing out that the revised bylaws are on file with the county with Emmitt's signature.
 - Emmitt stated that he doesn't remember that.
 - Response from Diana Maichetti:
 - Diana stated that the bylaws have stated, in Article 14, since the very first set of bylaws that: These bylaws may be amended, altered, or repealed and new bylaws may be adopted by a majority vote of the Board at any regular or special meeting, if notice of the intent to amend, alter, or repeal and replace said bylaws is given to the members pursuant to Article 4.5 above, which states that there has to be notice of the meeting.
 - Diana stated that Property Code 209 gives the board the authority to change the bylaws because they have to be updated to reflect the current laws which is the Property Owners Protection Act in 209. The only way to make it where you can't change the bylaws is to talk to your legislators to change the law in Property Code 209.
 - Response from Dana Hopper:
 - Dana stated that she is not on the bylaws committee with the other organizations that she is with.
 - Dana stated the other organization have a bylaws committee that go through the bylaws section by section for changes and bring it to the general membership for a vote.
 - Additional response from Diana Maichetti:
 - Diana added that at the monthly meetings the board goes over the changes and explains why changes need to be made for example adding the Fine Schedule so the board could enforce the deed restrictions.
 - Diana stated that bylaws govern what the board does. The changes have been made to make it more restrictive on what the board does.
- Question – For the Treasurer:
 - Member from the floor: Don't you have to keep a ledger and have it audited like once a year? How is that handled?
 - Response from Diana Maichetti:
 - Diana stated that when she got appointed Treasurer, I wanted to have a deep audit of the books. The best price we got was over \$2,000.. We started doing a self-audit
 - Diana stated that the financial information is available at every meeting. Diana asked the member if she got the Financial Report handout available at this meeting, it is out on the table. Diana offered to go get one for the member.
 - The Member asked if they keep a ledger.
 - Diana responded that the board keeps it in Quickbooks.

- Diana stated that all the information goes to the CPA and he does the tax reports. The CPA does a monthly audit of all of our financial information.
 - The member expressed concern that all the information is on a computer.
 - Diana stated that she has had computers crash before so she makes multiple backups.
 - Diana stated that the board has open records. If any member would like to see the information they can make an appointment with her to review the records.
 - Diana stated that the CPA gets the financial information once a month. For a while there were two sets of books being kept. The ones in the office that weren't being kept correctly and the ones the CPA keeps. The numbers were supposed to match. Unfortunately, most likely due to lack of knowledge, the numbers were far off from matching. The board is diligently working on finding and correcting past issues to ensure the numbers match the CPA's.

- Comment – to the candidates and all attendees:
 - Member from the floor: The member noted that attendance at the monthly and quarterly meetings is low. People need get more involved and attend the meetings. We want the board to be the squeaky wheel for us. You want the members to call the county and call the sheriff's department about issues. We look to the board as our leadership. We look to the board to bridge the gap between Westwood and the Magnolia Chamber of Commerce. The member stated that last year drainage was a lot better and thanked the board for the efforts to improve drainage.

 - Response from Diana Maichetti:
 - Diana stated that the board did approach the Improvement District for help with funds for drainage and talked with them about help to get with the department of transportation about the plans to fix the bridge for Nickabur to allow water to go through. The board asked them to see if the bridge could be one of the first things done during the 2978 project. The board will follow up with the Improvement District for the curbing on Tamina.

 - Response from Pat Troy:
 - Pat stated that the drainage improvements in section 3 were due to Julie Vanderhorst and the Drainage Committee.
 - Pat stated that last Tuesday, the president of Sendera Ranch, Julie Vanderhorst and he met with officials from Montgomery County, the attorney his assistant and the engineer, to deal with specific drainage issues in section 4 with water draining out to Sendera Ranch.

- Question – For all candidates:

- Member from the floor: As property owners, do any of you have any deed restriction violations on your property?
- Response from Pat Troy:
 - Pat stated that he was not aware of any.
- Response from Emmitt Hippler:
 - Emmitt stated that he was not aware of any.
- Response from Paul Wethington:
 - Paul stated that he was not aware of any.
- Response from Dana Hopper:
 - Dana stated that she was not aware of any.
- Response from Diana Maichetti:
 - Diana stated that anything that she has was addressed with the attorney and he agrees that it was not any violation.
- The member asked about metal buildings.
- Response from Diana Maichetti:
 - Diana stated that she does not have a metal building.
- Response from Emmitt Hippler:
 - Emmitt stated that he has a metal building that's been there for 15 years.
 - Emmitt stated that it was approved by Westwood at the time.
 - A member from the floor asked if it was a variance.
 - Emmitt stated that it was approved by Westwood when he first bought the house he had it put in.
- Comment – to the candidates and all attendees:
 - Member from the floor: The member lives in section 3 where there have been drainage issues. In 2013 there was a big rain scare. The member was one of the first members of the drainage committee, Kirk Toliver and him. We were told by the current president at the time, there was nothing we can do. The member got involved and got a signed letter from the property owner down the street from him to dig the ditch all the way to 1488. He pushed it through the board and every step along the way Emmitt tried to block him. The member just wants to set the record straight that Emmitt stands up there and says he works on drainage issues. But Emmitt tried to stop the member from working to fix a drainage issue every step along the way.

4. The Collection of voting ballots was completed. The locked box was delivered to CPA, Robert Benning's assistant, for counting and tabulation.

5. Discussion of Financial Report

- The Treasurer presented the financial report.
 - Diana stated that when she was appointed as Treasurer one of the first things she noticed was that the fiscal year for the WWLOA was not the fiscal year the IRS has. This is why the amounts presented at the annual meetings did not match. The amounts will never match when two different reports each use a different fiscal year.
 - The first page of the annual report includes the CPA's statement because it is very important for transparency.
 - The first 3 pages are from the CPA for the fiscal year ending December 31, 2017. The tax return for 2017 is also included.
 - On the next page are the actual expenditures for 2016, 2017 and 2018 (year to date through 5/31).
 - The next page is the balance sheet for 2016 and 2017.
 - As of this morning we have \$21,015.83 in checking and \$335,757.26 in the Money Market account.

- Question from a member from the floor:
 - On paragraph 2 it says that you are using tax basis of accounting other than accounting principles generally accepted in the US. Why aren't the books done under Generally Accepted Accounting Principles (GAP) which is acceptable in the US and all CPA's are aware of what GAP is?
 - Diana stated that the CPA has been doing our books this way for as long as he has been doing the books. That was the decision made by previous boards.
 - Another member from the floor stated that it is not uncommon that organizations don't use GAP. He is on the finance committee for his church and they do not use GAP.

- Question from a member from the floor:
 - Did we have anyone outside of the association perform an audit of the books at any time?
 - Pat Troy stated that he thought that every time you changed the treasurer you have an audit to start off with a clean slate. Pat actually brought this up before. When he was told how much it cost he learned why it was not being done every time we change the treasurer.
 - Diana stated that we have not had a full audit.
 - Pat troy mentioned that if enough people want an audit, we can have a one-time assessment to pay for it since we do not have money in the budget to pay for it at this time.

- The financial report question and answer evolved into a discussion between Diana and several members about the type of historical issues that have been discovered with the books and member's accounts and the effort Diana has been putting in to identify the issues and correct them. During the discussion a member stated that she would like to change her vote. The secretary checked with Robert Benning's assistant and the member's previous ballot was removed and replaced with her new vote.

- Question from a member from the floor:
 - There is a difference between line items not being properly applied and any hint of impropriety. Have you seen, what you feel like is, any hint of impropriety or something the homeowners should be concerned about?
 - Pat Troy stated that he asked that question several times himself and said that if there are any improprieties he guarantees the board will do something about it.
 - Diana stated that right now when we go to make a deposit in Quickbooks you start clicking on checks, there are things hanging out there from 2014, 2015, 2016 and 2017. She needs to go line by line and go through that. Diana is hoping that with going through the deposit slips these will be resolved. At this point she can't say that that something was done with ill intent until she actually goes through and looks for that. Diana said that it is a big job and asked if anyone wants to help, they are welcome.
 - Diana said that it is balanced per the CPA and now that the checking account is reconciled to what it is supposed to be she feels more comfortable that the amount is matching.
 - Diana stated that we have found some un-deposited checks from years past. They are un-deposited checks so no one would have been able to take it. Diana said as far as any cash, she would prefer that people not pay in cash but rather get a money order or cashier's check so that there is a way of tracking them.

6. Open Forum – 3 minute limit

- A motion was made by Patrick Bryon Morgan to include the number of proxies, absentee ballots and in person ballots for each candidate along with their total votes. The motion was seconded by Katherine Hooper. Pat Troy asked for those in favor and those opposed. Pat Troy announced that the motion carries.
- The secretary will communicate this to the CPA. It may require re-tallying the votes as this was not part of the vote tallying process.
- Mr. Morgan stated that he thinks it is important, that within a reasonable amount time, that we can support a request for a recount which he thinks is 15 days.

7. Results of Board of Director's election.

- The vote tally was not able to be completed during the meeting. The results of the election will be announced after the meeting.

8. Adjournment: A motion was made to adjourn the meeting, the Treasurer seconded it. The Vice President asked all those in favor. The meeting was adjourned at 12:20 PM.