

CYPRESS CREEK LAKES PROPERTY OWNERS ASSOCIATION, INC. HELD THE ANNUAL MEETING OF THE MEMBERS ON WEDNESDAY, JULY 26, 2017 AT THE CYPRESS CREEK LAKES PHASE 3 RECREATIONAL CENTER, 10080 CYPRESS CREEK BEND DRIVE, CYPRESS, TEXAS 77433.

CALL TO ORDER & CONFIRMATION OF QUORUM

Due notice having been given, the meeting was called to order at 7:05 p.m. The members were advised that a quorum was not present and pursuant to Article 3, Section 3.5 of the Bylaws, the meeting was adjourned without quorum and called to order at 7:06 and adjourned without quorum and called to order at 7:07 and quorum was met with 57 properties represented in person and 33 proxies presented.

INTRODUCTIONS

Director Melloy introduced himself and Director O'Connor and Director Thomas as well as Liz Pettit with Crest Management and Brice Beale with Hoover Slovacek. Director Melloy thanked the homeowners for coming and for the increase in attendance at the quarterly meetings as well as participation in community events and engaging in the process.

PRIOR YEAR ANNUAL MEETING MINUTES

Director Melloy asked the members present to review the 2016 Annual Meeting minutes and called for a motion to approve the minutes. A homeowner stated that the minutes needed to reflect a discussion at the meeting regarding alternative ingress/egress for Section 8 when it floods and the residents in that section are unable to get out. This topic had been discussed and it was acknowledged that the issue is that of MUD 374 since it involves draining of road water into the community retention lakes and that their engineer has been asked to perform studies to determine if corrective options exist despite the fact that the County approved the roads and intersection by the developer. Director Melloy stated wording would be added to the minutes reflect that discussion. A motion was made, seconded and carried to approve the minutes.

VOTE ON AMENDMENT OF THE BYLAWS TO INCREASE THE BOARD FROM 3 TO 5 DIRECTORS

Director Melloy announced that there would be a vote to amend the Bylaws pursuant to Articles 4.10 and 11.1 to allow for the election of 2 additional Directors bringing the total 5. This will mean there will be a President, Vice President, Secretary, Treasurer and the other position as possibly a Committee Chairperson to oversee the Activities Committee and the Architectural Committee. A homeowner questioned whether the amendment was allowed based on just the quorum of the meeting and a declined quorum and not quorum of the members. Brice Beale discussed the interpretation of the Bylaws and case law that supports the position and wording in the Bylaws that quorum at the meeting constitutes quorum to amend the Bylaws. Mr. Beale further stated that adding the additional Directors is favorable to the community by allowing more people to serve and more people to share the duties. Votes were cast. There were 84 votes in favor and 6 votes against amending the Bylaws.

PCT. 5 CONSTABLE

Lt. Mitch Hutter and Deputy Frank Salas with the Harris County Pct. 5 Constable's Office discussed safety and concerns in the community. Lt. Hutter discussed programs offered by the Constables office including RAD (Rape Aggression Defense) classes offered to Cypress Creek Lakes' women at no charge. Lt. Hutter provided the Constable's number to call to make a report as opposed to calling the Sheriff's Department since the Constables have the contract for the community. Lt. Hutter urged homeowners to report anything suspicious or out of the ordinary to the police no matter how insignificant they think it might be. A homeowner asked about solicitors in the

community. Deputy Salas said soliciting is not against the law. They will be happy to check them out but they will not remove them from the community if they are legitimate even if it is against the deed restrictions because police do not enforce deed restrictions. They enforce state and county laws. Deputy Salas stated there was a theft this morning of some truck wheels and tires but there is video that is being reviewed and some possible suspects. Deputy Salas discussed a situation with a person in the community who appears and behaves as homeless but is in fact a resident. They are aware of the issues with this resident and they are keeping an eye on the situation. Lt. Hutter and Deputy Salas answered homeowner questions about speeding, student parking on the street, cars running stop signs, and loud cars. Deputy Salas mentioned they are working with the school district police to find a solution for the student cars that are parking on the street in the community.

BOARD REPORT

Director Melloy discussed the possibility of adding an egress to section 8 but stated it probably would not be approved by the county. There would have to be a lot of up front expenses before it could be presented for approval and it would not be a paved road. It would have to be gravel, pavers or something similar. The MUD engineer has looked into it and from their professional experience felt it was highly unlikely that the county would approve such a request due to the existence of water and sewer lines buried within this property. The estimated cost could be well in excess of \$60k.

Director Melloy reported the Cypress Creek Lakes scholarship winner was Arya Shetty. Arya is a 2017 Cy-Ranch graduate who graduated 12th in his class. He will be attending Rice University in the fall and will be majoring in Biochemistry for Pre-Med.

Director Melloy mentioned there have been four Food Truck Fridays this year and all have been very well attended. They will continue with the next one likely to be scheduled in late September when temperatures are a bit better.

The Board had a Reserve Study performed to determine where the community stood in relation to its capital reserves. The Reserve Study showed there are adequate funds in the reserve account and one of the near future expenditures from the capital reserve account will be re-plastering of the pool as the engineer observed a crack forming during an inspection of community assets for the study. Director Melloy stated he believes assessments should remain the same for the next couple of years assuming there is no major occurrence that changes the cash position of the Association.

Cypress North Houston is open through Towne Lake. The Board is getting landscape bids for the Cypress Creek Lakes area that goes into Towne Lake. The bid from the current landscaper came in at \$95k with a large portion of the costs being to install additional irrigation to the area which involves burrowing under Cypress North Houston in two locations. The Board is also getting bids for additional sidewalks in two areas on Cypress North Houston. One area is on the north side from Cypress Creek Bend to the commercial property. The other area is in the new section of Cypress North Houston. The cost for the sidewalks will be around \$35k to \$36k. Additional lighting has already been approved for the newly opened section of Cypress North Houston and Centerpoint indicated it is on schedule for install by the end of August. The Board is looking into getting another bollard with Cypress Creek Lakes banners installed in one of the medians close to the pipeline in the new section of Cypress North Houston to represent this portion of the community to traffic traveling to and from the Town Lake portion of the road. This will cost approximately \$6k.

A traffic study was requested for a possible 3-way stop sign at the intersection of Cypress Creek Bend and Field Cypress. The study is ongoing but initial feedback is that this intersection doesn't appear to be a candidate for a 3-way stop based on traffic and that it does not meet the typical criteria. The County did a study on Cypress North Houston back in January regarding the posted speed limit of 45mph and determined there was no need for change at this time. The County did agree to perform another study after September 1st. The Board has received notification the County will begin work on the other lanes of Cypress North Houston within 9 or 10 months.

Director Melloy mentioned fireworks in the community are not against the Declarations and they are allowed by the County. Director Melloy asked homeowners to please be courteous to your neighbors if you are going to shoot fireworks.

Director Melloy reported the MUD approved the purchase of the land by the splash pad. The MUD will pay approximately \$103k per year for 3 years. There will be no increase in the MUD taxes due to this purchase and there will be no change in the land use. The POA will save around \$6k per year in maintenance costs as well on this property. The Board is hoping to get a vote of the community by the end of the 3rd quarter.

Director Melloy discussed the fence and wall status and stated the Cypress North Houston fence is the first focus. Mischer is not responding so the likely option is the Towne Lake fence which will affect 34 homeowners. Towne Lake submitted a contract and Cypress Creek Lakes attorney made some changes. The Towne Lake board will be meeting to vote on the contract with the changes. Once the contract is approved by all parties, the Board will meet with 34 homeowners. All 34 homeowners will have to be in agreement. Towne Lake will pay all costs with the exception of the cost to remove the old fence which comes to approximately \$8,000 or \$235 per homeowner along Cypress North Houston who would be receiving the fence.

FINANCIAL REPORT

Director O'Connor gave the financial report. As of December 31, 2016, the Association had \$533,849.56 in total cash, \$195,835.91 in capital reserves and accounts receivable totaled \$62,830.27. Total assets were \$811,862.55. Total liabilities were \$287,652.31. Total members equity was \$328,374.33. As of June 30, 2017, the Association had \$792,837.81 in total cash, \$197,093.04 in capital reserves and accounts receivable totaled \$96,762.28. Total assets were \$1,092,304.80. Total liabilities were \$484,418.22. Total members equity was \$410,793.54. Director O'Connor reviewed the June 30, 2017 Income Statement and answered questions from the members present.

ELECTION OF DIRECTORS

Director Melloy announced there would be an election for 3 directors for 3 year terms. Dennis O'Connor was running for re-election. Director Melloy opened the floor to nominations. Joseph D'Virgilio nominated himself. Ross Gallup nominated himself. Clifford Wuertz nominated himself. The floor was closed to nominations. Each candidate introduced themselves to the members and gave their background, told where in the community they lived and how long they have lived in Cypress Creek Lakes. Dennis O'Connor, Joseph Virgilio and Ross Gallup were elected with the most number of votes.

DEED RESTRICTION ENFORCEMENT PROCESS

Ms. Pettit with Crest Management explained the deed restriction inspection and enforcement process. Crest performs inspections once per month and cites for violations that are visible from a car from the street. Crest does not get out of the car and does not go on homeowners' property. Crest sends 4 letters. The 3rd letter is sent certified and has language from section 209 of the

Texas Property Code. After all letters have been sent the Board decides if the matter is turned over to the attorney. Once the matter is turned over to the attorney, all legal fees are charged back to the homeowner and the homeowner is responsible for the payment of those fees. Ms. Pettit encouraged homeowners to correct violations as soon as possible when they get a letter or contact Crest to discuss the situation or ask for more time to correct the problem. Brice Beale discussed what happens when a matter is turned over to the attorney and what a homeowner should do when they receive a letter from the attorney.

HOMEOWNER FORUM

Homeowners discussed the following:

- When will the sidewalks and landscaping the POA is getting bids on be done on Cypress North Houston? – The Board is working on the bids now and not waiting for the additional lanes to be finished by the County because they would not affect Cypress Creek Lakes property.
- What will happen if fences on Cypress North Houston start falling down and new fence has not been erected yet? – The homeowner is ultimately responsible for the fence so if it falls down the homeowner will be expected to put the fence back up. It is up to the homeowner if they replace it entirely.
- When will the Board address the fence on Sawmill? – The fences on Sawmill as well as Cypress Creek Bend belong to the homeowner. The fences are the immediate focus of the Board and the Board will not be dragging the fence issue out any longer than necessary but have decided to address Cypress North Houston first because it is a different situation from that of Cypress Creek Bend and Sawmill.
- Is the goal to address the fences on Cypress North Houston first? – Yes because the Towne Lakes fence offer is on the table right now and will not last forever.
- Is the Towne Lake fence affecting the fences with brick columns? – No. Homeowners with fences that have brick columns will have to repair or replace those fences at their expense unless Mischer steps up and pays for a brick wall which is unlikely at this point.
- Does it have to be a unanimous vote for the Towne Lake fence for the 34 homeowners? – Yes. All 34 homeowners have to agree to the Towne Lake fence. The Towne Lake fence will be in the Towne Lake design. Towne Lake will take responsibility to maintain the fence.
- There was continued discussion on the contract for the Towne Lake fence but it is all pending approval by the Towne Lake Board at their next upcoming meeting.

ADJOURNMENT

There being no further business to come before the members, the meeting was adjourned at 10:12 p.m.

APPROVED

9/27/17

Date



President

**2017 Annual Property Owners Association Members Meeting
Cypress Creek Lakes Phase 1 & 2, Sections 1 through 9**

July 26, 2017

7:00 pm- 9:00 pm

10080 Cypress Creek Bend Dr. - Phase 3 Clubhouse

AGENDA

- I. Confirm Quorum and Call to Order
- II. Introductions of Board Members and Opening Remarks by the Board President
- III. Review & Approval of 2016 Annual Meeting Minutes
- IV. Vote on Amendment of the Bylaws – Pursuant to Articles 4.10 and 11.1 the Board wishes to amend the Bylaws to allow for the election of 2 additional Directors, bringing the total to 5. Specifically, the Board wishes to amend Article 4.1 to state as follows:

“(a) The number of Directors which shall constitute the whole Board of Directors shall be not less than five (5).”
- V. Board Report
- VI. Financial Report
- VII. Election of Directors – 1 position available for a 3-year term; plus 2 additional positions available for 3-year terms, assuming the Bylaws are amended as described above.
 - A. Nominations from the Floor
 - B. Introduction of Nominees
 - C. Vote
 - D. Ballot Tabulation
 - E. Election Results
- VIII. Deed Restriction Enforcement Process
- IX. Homeowner Forum
- X. Adjournment

CYPRESS CREEK LAKES PROPERTY OWNERS ASSOCIATION, INC. HELD THE ANNUAL MEETING OF THE MEMBERS ON WEDNESDAY, JULY 27, 2016 AT THE CYPRESS CREEK LAKES RECREATIONAL CENTER, 10702 CYPRESS CREEK BEND DRIVE, CYPRESS, TEXAS 77433.

CALL TO ORDER & CONFIRMATION OF QUORUM

Due notice having been given, the meeting was called to order at 6:00 p.m. The members were advised that a quorum was not present and pursuant to Article 3, Section 3.5 of the Bylaws, the meeting was adjourned and called to order until quorum was met with 51 properties represented in person or by proxy.

PCT. 5 CONSTABLE

Lt. Hutter with the Harris County Pct. 5 Constable's Office discussed safety in the community and current crime in the area. Lt. Hutter mentioned that crime in Cypress Creek Lakes is very low. Lt. Hutter mentioned various programs offered by the Constable's office. Lt. Hutter urged homeowners to report anything suspicious or out of the ordinary to the police no matter how insignificant they think it might be.

INTRODUCTIONS

Director Nachin introduced himself and Director Mauricio as well as Ms. Pettit and Ashley Howard with Crest Management. Director Nachin discussed board member responsibilities and homeowner responsibilities.

PRIOR YEAR ANNUAL MEETING MINUTES

Director Nachin asked the members present to review the 2015 Annual Meeting minutes. A motion was made, seconded and carried to approve the minutes as presented.

ELECTION OF DIRECTOR

Director Nachin announced there was one Board position with a 3 year term open. The incumbent, Jerome Mauricio was not re-running for the board position. Ms. Pettit opened the floor to nominations. Carl Oland nominated himself. There were no other nominations. The floor was closed to nominations. Carl Oland was elected to the board by acclamation.

MUD 374 REPORT

Joe Sykes with MUD 374 addressed the members present to talk about MUD 374. Mr. Sykes stated the MUD has 5 board members; 4 of which live in Cypress Creek Lakes. The MUD pays for the patrol contract for the community along with MUD 433. The MUD bonds were recently refinanced which will result in a large savings. The tax increase through property evaluation will help reduce the debt. A homeowner asked about the ground sinking in Section 4. This is being addressed. A homeowner asked what is being done to alleviate the street flooding during a heavy rain on some streets. Mr. Sykes said the drains are all clean and he was unaware of any streets that were impassable during the last major rain event but urged homeowners to contact the MUD if this happens again and they will find a way to get them out.

FINANCIAL REPORT AND STATISTICS

Director Nachin presented a power point presentation with statistical information on revenue trends, delinquency trends and the capital reserve. Director Nachin reported the capital reserve account is currently at \$250K and the goal is to get to \$350K. Director Nachin discussed the current assessment and the assessments for the surrounding communities.

COMMUNITY OPERATIONS AND PLANNING

Director Nachin went through the power point presentation and discussed Board responsibilities,

Board limitations, homeowner responsibilities, community governance and operations, Crest Management, compliance statistics and budget highlights.

Director Nachin discussed the most recent Sentiment Survey and statistical data relating to the responses. Director Nachin noted there was a 90% response.

Director Nachin reported that the website is being re-done.

Director Nachin discussed the desire of homeowners for additional amenities and the potential amenities that may be considered including a sports court, basketball court, volleyball court, soccer field, outdoor exercise area and pool slide. Director Nachin discussed the possibility of the pool being unguarded noting that if a slide is installed it has to be guarded. Director Nachin mentioned that it may take an increase in assessments or a special assessment to pay for these things but nothing has been decided at this time.

Director Nachin discussed the fencing along the new section of Cypress North Houston and said he has spoken with the Caldwell Company and they are going to put up a wood fence along the right of way that homeowners along that area can tie into. This will create a nice appearance into where the Town Lake property starts. Director Nachin mentioned the board considered putting in a monument where Cypress Creek Lakes property starts but there is no HOA owned property there to put it on.

Director Nachin discussed the fences along Cypress Creek Bend Dr. The fences are owned by the individual homeowners. Some of the fencing is in need of repair or replacement which is the homeowner responsibility. Director Nachin discussed some potential solutions to have all the fences maintained and stained the same color to give a better appearance to the community. Director Nachin stated the fences are on homeowner property so the HOA cannot take over ownership of the fences. Director Nachin discussed putting up a brick fence in front of the homeowner owned wood fences but it would require a special assessment due to the cost which will run around \$800K but could be less if a different type of fence was used. Homeowners asked about the wrought iron fences along the lakes that need to be repaired or replaced. Director Nachin stated the homeowner is responsible for those fences and the homeowners who need to address the current condition of their wrought iron fence will be receiving a letter soon. Director Nachin also mentioned that IMS will be maintaining the HOA owned property along the new section of Cypress North Houston.

2016 ACCOMPLISHMENTS

Director Nachin listed the 2016 year to date accomplishments of the board:

- Cy-Fair Rotary Club Flag Program
- Multiple community events
- Connecting with High School Clubs
- CCL Senior Scholarships
- Tax Exemption
- Private pool party policy developed

UPCOMING EVENTS

Director Nachin discussed upcoming events which include:

- Food Truck Fridays
- Dinner and a movie in the park
- National Night Out

- Christmas light decorating contest

RESIDENT ACTION ITEMS

- Establish an Event Planning Committee, Volunteer Committee and Member/Community Relations Committee
- Sign up to be an event volunteer
- Sign up to be a Block Captain to help communicate with the residents
- Be a good neighbor and build relationships with each other

FAQS

- No motorized vehicles on the pathways, bike paths or unpaved common areas; allowed on streets following TXDMV rules
- Fireworks are legal in unincorporated Harris County. They are allowed in Cypress Creek Lakes and even if it was in the covenants it is not enforceable. Only a letter can be sent but it would be after the fact.

ADJOURNMENT

There being no further business to come before the membership, a motion was made, seconded and carried to adjourn the meeting at 9:00 p.m.

APPROVED

Date

President

CYPRESS CREEK LAKES, P.O.A.
BALANCE SHEET
December 31, 2016

ASSETS:

CASH

ALLEGIANCE BANK - OPERATING	\$	26,596.92	
ALLEGIANCE BANK - MONEY MARKET		221,128.11	
FIRST INTERNET BANK - MMKT		4,925.00	
MUTUAL OF OMAHA - OPERATING		281,199.53	
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TOTAL CASH	\$		533,849.56

98.29% collected

CAPITAL RESERVE

1ST INTERNET-12 MOS CD 9/2017	45,171.80	
1ST INTERNET-18 MOS CD-3/2018	50,215.82	
1ST INTERNET-24 MOS CD-9/2018	100,448.29	
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TOTAL CAPITAL RESERVE		195,835.91

ACCOUNTS RECEIVABLE

2009 MAINTENANCE FEES	1.90	
2010 MAINTENANCE FEES	870.00	
2011 MAINTENANCE FEES	1,090.00	
2012 MAINTENANCE FEES	1,202.80	
2013 MAINTENANCE FEES	1,800.00	
2014 MAINTENANCE FEES	2,060.22	
2015 MAINTENANCE FEES	5,755.65	
2016 MAINTENANCE FEES	14,996.00	
FINANCE CHARGES	15,612.89	
PENALTIES	3,114.01	
LEGAL FEES	16,216.80	
DEED RESTRICTION EXPENSES	110.00	
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TOTAL ACCOUNTS RECEIVABLE		62,830.27

CYPRESS CREEK LAKES, P.O.A.
BALANCE SHEET
December 31, 2016

OTHER ASSETS

PREPAID INSURANCE	\$	14,792.00	
ASSOCIATION ATV		10,511.27	
VEHICLE DEPRECIATION		(5,956.46)	
TOTAL OTHER ASSETS			\$ 19,346.81
TOTAL ASSETS			\$ 811,862.55

LIABILITIES:

ACCOUNTS PAYABLE - TRADE	\$	31,534.30	
PREPAID ASSESSMENTS		217,484.22	
NOTE PAYABLE		38,633.79	
TOTAL LIABILITIES			\$ 287,652.31

EQUITY:

CAPITAL RESERVE			
CAPITAL RESERVE FUND		195,835.91	
TOTAL CAPITAL RESERVE			195,835.91
MEMBERS EQUITY		180,891.89	
CURRENT YEAR SURPLUS (DEFICIT)		147,482.44	
TOTAL MEMBERS EQUITY			328,374.33
TOTAL LIABILITIES AND EQUITY			\$ 811,862.55

CYPRESS CREEK LAKES, P.O.A.
BALANCE SHEET
June 30, 2017

ASSETS:

CASH

ALLEGIANCE BANK - OPERATING	\$	26,596.92	
ALLEGIANCE BANK - MONEY MARKET		201,722.38	
FIRST INTERNET BANK - MMKT		4,775.00	
MUTUAL OF OMAHA - OPERATING		559,743.51	
TOTAL CASH			\$ 792,837.81

95.78% collected

CAPITAL RESERVE

1ST INTERNET-12 MOS CD 9/2017		45,430.02	
1ST INTERNET-18 MOS CD-3/2018		50,540.40	
1ST INTERNET-24 MOS CD-9/2018		101,122.62	
TOTAL CAPITAL RESERVE			197,093.04

ACCOUNTS RECEIVABLE

2009 MAINTENANCE FEES		1.90	
2010 MAINTENANCE FEES		870.00	
2011 MAINTENANCE FEES		1,090.00	
2012 MAINTENANCE FEES		1,202.80	
2013 MAINTENANCE FEES		1,800.00	
2014 MAINTENANCE FEES		1,800.00	
2015 MAINTENANCE FEES		5,125.00	
2016 MAINTENANCE FEES		9,993.30	
2017 MAINTENANCE FEES		37,140.99	
2018 MAINTENANCE FEES		(3,763.49)	
FINANCE CHARGES		18,254.12	
PENALTIES		5,829.57	
LEGAL FEES		17,308.09	
DEED RESTRICTION EXPENSES		110.00	
TOTAL ACCOUNTS RECEIVABLE			96,762.28

CYPRESS CREEK LAKES, P.O.A.
BALANCE SHEET
June 30, 2017

OTHER ASSETS		

PREPAID INSURANCE	\$	2,108.00
ASSOCIATION ATV		10,511.27
VEHICLE DEPRECIATION		(7,007.60)

TOTAL OTHER ASSETS	\$	5,611.67

TOTAL ASSETS	\$	1,092,304.80
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LIABILITIES:		

ACCOUNTS PAYABLE - TRADE	\$	24,296.43
DEFERRED MAINTENANCE FEES		440,550.00
NOTE PAYABLE		19,571.79

TOTAL LIABILITIES	\$	484,418.22
EQUITY:		

CAPITAL RESERVE		

CAPITAL RESERVE FUND		195,835.91
CAPITAL RESERVE INTEREST		1,257.13

TOTAL CAPITAL RESERVE		197,093.04
MEMBERS EQUITY		328,374.33
CURRENT YEAR SURPLUS (DEFICIT)		82,419.21

TOTAL MEMBERS EQUITY		410,793.54
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TOTAL LIABILITIES AND EQUITY	\$	1,092,304.80
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CYPRESS CREEK LAKES, P.O.A.
INCOME STATEMENT - BUDGET COMPARISON
For 6 Months Ended June 30, 2017

	JUN ACTUAL	JUN BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE	ANN'L BUDGET	REMAINING
INCOME:								

CURRENT YEAR MAINTENANCE FEES	73,425	73,425		440,550	440,550		881,100	440,550
MAINTENANCE FEE - PENALTY	482	566	84	5,961	3,396	(2,565)	6,800	839
INTEREST EARNED	179	25	(154)	633	150	(483)	300	(333)
MISCELLANEOUS INCOME	80	41	(39)	110	246	136	500	390
UNCOLLECTED MAINT FEES					(25,000)	(25,000)	(25,000)	(25,000)
TOTAL INCOME	74,166	74,057	(109)	447,254	419,342	(27,912)	863,700	416,446
EXPENSES:								

ADMINISTRATIVE								

ADMINISTRATIVE CONTRACT	3,000	3,000		18,000	18,000		36,000	18,000
OTHER ADMIN EXPENSES		50	50		300	300	600	600
GATE FEE EXPENSE	100	100		600	600		1,200	600
OFFICE SUPPLIES		41	41	67	246	179	500	433
COPIES	655	208	(447)	1,539	1,248	(291)	2,500	961
POSTAGE	639	333	(306)	2,066	1,998	(68)	4,000	1,934
BANK CHARGES	60		(60)	190		(190)		(190)
INSURANCE	2,114	2,291	177	12,684	13,746	1,062	27,500	14,816
COMMUNITY MAIL OUTS	442		(442)	885	500	(385)	1,000	115
MEETINGS	100		(100)	378	200	(178)	200	(178)
ADMINISTRATIVE NOTICES	24		(24)	24		(24)	3,000	2,976
DEED RESTRICTION EXPENSES	30	208	178	206	1,248	1,042	2,500	2,294
RECORD STORAGE / EXPENSE	60	50	(10)	360	300	(60)	600	240
TOTAL ADMINISTRATIVE	7,224	6,281	(943)	36,999	38,386	1,387	79,600	42,601
LEGAL SERVICES								

LEGAL - CORPORATE		250	250	13,236	1,500	(11,736)	3,000	(10,236)
LEGAL - COLLECTIONS	(507)	1,666	2,173	2,959	9,996	7,037	20,000	17,041
LEGAL COLLECT-BILLED TO OWNER	(130)		130	(2,998)		2,998		2,998
LEGAL - DEED RESTRICTIONS		83	83		498	498	1,000	1,000
TAX PREPARATION / AUDIT					1,000	1,000	1,000	1,000
TOTAL LEGAL SERVICES	(637)	1,999	2,636	13,197	12,994	(203)	25,000	11,803

CYPRESS CREEK LAKES, P.O.A.
INCOME STATEMENT - BUDGET COMPARISON
For 6 Months Ended June 30, 2017

	JUN ACTUAL -----	JUN BUDGET -----	VARIANCE -----	YTD ACTUAL -----	YTD BUDGET -----	VARIANCE -----	ANN'L BUDGET -----	REMAINING -----
GROUNDS MAINTENANCE								
LANDSCAPE CONTRACT	15,964	16,745	781	91,667	100,470	8,803	200,950	109,283
ESPLANADE CONTRACT		1,666	1,666	3,493	9,996	6,503	20,000	16,507
LANDSCAPE EXTRAS	210	833	623	1,330	4,998	3,668	10,000	8,670
HOLIDAY LIGHTING				10,413		(10,413)	20,000	9,587
COMMON AREA REPAIRS	510	833	323	20,124	4,998	(15,126)	10,000	(10,124)
TOOLS		166	166		996	996	2,000	2,000
SUPPLIES		125	125		750	750	1,500	1,500
FUEL		20	20		120	120	250	250
PEST CONTROL	987	583	(404)	3,101	3,498	397	7,000	3,899
IRRIGATION REPAIRS		416	416		2,496	2,496	5,000	5,000
DEED RESTRICTION MOWING		41	41		246	246	500	500
ENTRY REPAIRS		125	125		750	750	1,500	1,500
VANDALISM		41	41		246	246	500	500
REC CENTER/GAZEBO		41	41	3,168	246	(2,922)	500	(2,668)
TOTAL GROUNDS MAINTENANCE	17,671	21,635	3,964	133,296	129,810	(3,486)	279,700	146,404
POOL								
POOL CONTRACT	10,054	10,000	(54)	16,368	16,200	(168)	39,500	23,132
SPLASH PAD CONTRACT		83	83		498	498	1,000	1,000
GAZEBO		41	41		246	246	500	500
EXTRA SERVICES	60	83	23	60	498	438	1,000	940
REPAIRS AND MAINTENANCE	1,007	333	(674)	2,060	1,998	(62)	4,000	1,940
IMPROVEMENTS		250	250		1,500	1,500	3,000	3,000
FURNITURE AND EQUIPMENT	130	166	36	130	996	866	2,000	1,870
SUPPLIES AND POOL TAGS		41	41	145	246	101	500	355
TOTAL POOL	11,251	10,997	(254)	18,763	22,182	3,419	51,500	32,737

CYPRESS CREEK LAKES, P.O.A.
INCOME STATEMENT - BUDGET COMPARISON
For 6 Months Ended June 30, 2017

	JUN ACTUAL	JUN BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE	ANN'L BUDGET	REMAINING
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UTILITIES & SERVICES								

ELECTRICAL - STREET LIGHTS	6,511	6,916	405	39,061	41,496	2,435	83,000	43,939
ELECTRICAL - ENTRY/IRRIGATION	427	666	239	2,668	3,996	1,328	8,000	5,332
TRASH SERVICE	14,303	14,000	(303)	85,232	84,000	(1,232)	168,000	82,768
WATER & SEWER	1,807	625	(1,182)	4,589	3,750	(839)	7,500	2,911
TELEPHONE	246	291	45	1,974	1,746	(228)	3,500	1,526
REPAIRS AND MAINTENANCE		166	166		996	996	2,000	2,000
IMPROVEMENTS		166	166		996	996	2,000	2,000
TOTAL UTILITIES & SERVICES	23,294	22,830	(464)	133,524	136,980	3,456	274,000	140,476

OTHER EXPENSES								

TAXES - PROPERTY							100	100
COMMITTEE EXPENSES		1,000	1,000	761	4,000	3,239	7,000	6,239
COMMUNITY EVENTS	846	1,666	820	2,632	9,996	7,364	20,000	17,368
SPECIAL PROJECT	21,270		(21,270)	21,270		(21,270)	52,046	30,776
LOAN INTEREST	103	93	(10)	816	558	(258)	1,120	304
MISCELLANEOUS EXPENSES		166	166	55	996	941	2,000	1,945
WEBSITE		416	416		2,496	2,496	5,000	5,000
CAPITAL RESERVE							25,000	25,000
DEPRECIATION EXPENSE	175		(175)	1,051		(1,051)		(1,051)
BAD DEBT	1,772	250	(1,522)	2,473	1,500	(973)	3,000	527
TOTAL OTHER EXPENSES	24,166	3,591	(20,575)	29,058	19,546	(9,512)	115,266	86,208

TOTAL EXPENSES	82,969	67,333	(15,636)	364,837	359,898	(4,939)	825,066	460,229
SURPLUS (DEFICIT)	(8,803)	6,724	15,527	82,417	59,444	(22,973)	38,634	(43,783)
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DEED RESTRICTION ENFORCEMENT

- Inspections performed once per month
- Violations cited based on what is seen from a car from the street
- Inspector does not get out of the car and does not go on private property
- Violation Letters:
 - First Letter – Courtesy Notice (no picture taken)
 - Second Letter – Reminder Notice (no picture taken)
 - Third Letter – Certified Demand Letter with language from section 209 of the Texas Property Code which is the only letter required by law (date stamped picture taken). This letter is sent by regular and certified mail. Homeowner has 30 days to comply by correcting violation.
- Fourth Letter – Crest will send a fourth letter on red paper to give the homeowner one final chance to correct the violation (date stamped picture taken).
- Once a fourth letter has been sent, the Board will decide if the violation will be turned over to the attorney for further enforcement efforts.
- Once a violation is turned over to the attorney, the homeowner is responsible for payment of all attorney fees.

WHAT A HOMEOWNER SHOULD DO IF YOU GET A LETTER

- Correct the violation as soon as possible.
- Contact Crest if you are unsure about what needs to be done or if you do not believe the violation is accurate.
- Contact Crest to discuss the situation and request more time if needed to correct the violation.
- Contact Crest to talk about your violation letter not all the houses around you!
- If you see a violation that has not been corrected for several months don't assume nothing is being done! Sometimes it takes several letters before a homeowner responds and there may be particular circumstances involved in the enforcement of a particular violation.
- Contact Crest to report a violation. We may ask you to provide a picture or we may have to make notes in our file and verify the violation on our next inspection. Some issues may be considered neighbor to neighbor disputes and others may be matters that need to be addressed by law enforcement. We will advise you what the POA can do or what you should do.
- Remember we are only doing what the Board asks us to do! We understand no one wants to get a deed restriction letter. Please don't call and be discourteous! We will be happy to help you and work with you to resolve the problem. We want your neighborhood to continue to be the outstanding community it is!