

THE NEW PROPERTY OWNERS ASSOCIATION OF NEWPORT, INC.

Minutes of Board of Directors Meeting

April 12, 2012

Call to Order

A regular monthly Board of Directors meeting of The New Property Owners Association of Newport, Inc. was held on April 12, 2012 beginning at approximately 5:040 p.m. Those directors in attendance were Dennis Pilkington, Dan Kasprzak, Walter Thomas, Sandy Hayes, Charley Lenderman and Wayne Scott. Carol Jones represented the association. Residents in attendance were Don and Margarette Chasteen.

Earl Boykin, Nancy Gaudet and Sam Gonzalez were not in attendance but gave their proxy to Dennis Pilkington.

Jim Carpenter was not in attendance and gave his proxy to Dan Kasprzak.

Minutes

A motion was made by Sandy Hayes to approve January 12, 2012, January 25, 2012 minutes and the Executive Session Summary of March 21, 2012. The motion was seconded by Dan Kasprzak. The motion passed unanimously.

Financials

Walter Thomas, Treasurer presented the first quarter financials.

A motion was made by Walter Thomas to accept the March financials. The motion was seconded by Dan Kasprzak. The motion passed unanimously.

A schedule of write-off's for the first quarter in the amount of \$97,725.33 was presented. The manager advised the Board that a judgment that had been obtained in the amount of \$67,826.97 for a deed restriction violation and the judgment amount was wiped out by a subsequent foreclosure of the property. The remaining balance was primarily foreclosed properties.

A motion was made by Charley Lenderman to approve first quarter write off's in the amount of \$97,725.33. The motion was seconded by Dan Kasprzak. The motion passed unanimously.

The manager submitted a letter to the Board of Directors summarizing the audit and the amount of savings (\$53,000) during the first year of self management.

A motion was made by Walter Thomas to accept the Audit. The motion was seconded by Dan Kasprzak. The motioned passed unanimously.

Discussion/Action Items

The manager presented a request from a homeowner's lender for an executed subordination agreement on a refinance of a first lien. A motion was made by Sandy Hayes to have the President execute the Subordination Agreement. The motion was seconded by Charley Lenderman. The motion passed unanimously.

The homeowner scheduled to address the Board cancelled.

THE NEW PROPERTY OWNERS ASSOCIATION OF NEWPORT, INC.

Minutes of Board of Directors Meeting

April 12, 2012

The manager presented a proposal to add a guard shack to the entrance of the access road to the lake and river and have it manned pursuant to the schedule presented at the March executive session. Costs involved in having the building constructed are approximately \$6,000. The cost of patrolling the gate and having the officers patrol the lake and river areas would not exceed the budgeted amount for lake and river security.

A motion was made by Dan Kasprzak to proceed with the proposed plan. The motion was seconded by Sandy Hayes. The motion passed unanimously.

The manager presented a request made by Director Sam Gonzalez to enlarge the barn used to store the association's tractor and related equipment. The turnkey bid was \$17,405.00.

A motion was made by Charley Lenderman to approve the request as submitted. The motion was seconded by Dan Kasprzak. The motion passed unanimously.

A revised schedule of capital improvement project, both currently in construction and planned for 2012 was presented. Revisions to projects included LED Marquees for both North and South Diamondhead and resurfacing the tennis courts. The manager was directed to contact the sign company to obtain locations of their signs in Houston for inspection prior to purchasing.

A motion was made by Dan Kasprzak to approve the revised schedule provided it remain within the presented budget. The motion was seconded by Sandy Hayes. The motion passed unanimously.

Manager's Report

Statements were mailed first week in April to anyone owing \$1.00 or more.

Pool passes would be mailed within first two weeks of May.

Negotiation regarding electricity for streets lights was complete and the savings to the Association would be \$24,000 per year for the next five years.

Manager approved a short sale settlement of a property being foreclosed. The amount deducted was \$289.

Executive Session

Seven Homeowner Accounts were discussed

End of Executive Session

. A motion was made by Walter Thomas to send all seven violations to JP Court for enforcement. The motion was seconded by Wayne Scott. The motion passed unanimously.

The manager presented a request from Newport Golf Partners for a gasoline surcharge under the maintenance contract in the amount of \$1,000 per month. A discussion was held regarding equipment that was needed by the contractor in order to better perform maintenance of the community. The cost of the equipment was approximately \$19,000 and the contractor had suggested that an alternative to the surcharge would be for the association to purchase the equipment for the contractor. A motion was made by Dan Kasprzak to purchase the equipment and enter into a

THE NEW PROPERTY OWNERS ASSOCIATION OF NEWPORT, INC.

Minutes of Board of Directors Meeting

April 12, 2012

Lease/Purchase agreement with the Contractor in lieu of the fuel surcharge. The terms of the Agreement would be to offset the cost of the equipment by \$1,000 per month with a provision that if, for any reason, the contract was terminated and the equipment had not been paid for in full, the equipment would revert to the Association. The motion was seconded by Wayne Scott. The motion passed 5-1.

Next Meeting. The next Board meeting is scheduled for July 12, 2012 unless the need for a meeting arises before the July date.

Adjournment There being no further business, the meeting adjourned at 7:05 p.m.

Respectfully submitted,

Carol Jones,
Community Manager

APPROVED:

Earl Boykin, Secretary