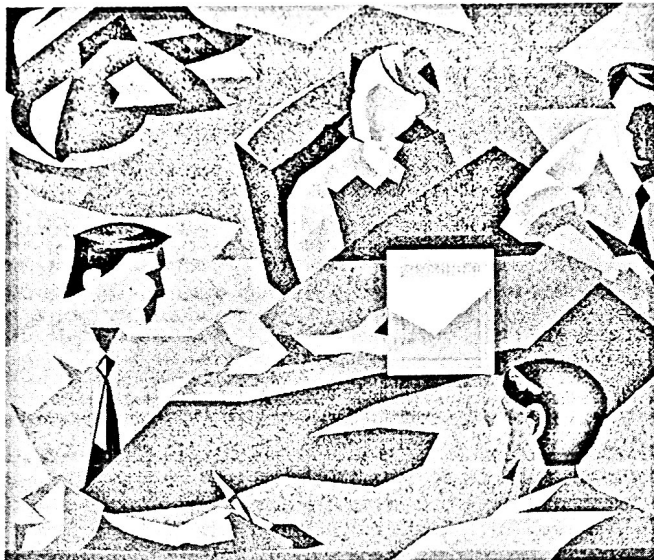


**COTTONWOOD HOMEOWNERS
ASSOCIATION, INC.**



BOARD OF DIRECTORS MEETING

LOCATION:

ROSENBERG CIVIC CENTER
3825 TX-36, Rosenberg, TX 77471

TIME:

6:30 PM

DATE:

October 11, 2016

Minutes

Cottonwood Homeowner Association, Inc.

Board of Directors Meeting
AGENDA – August 16, 2016
Rosenberg Civic Center

6:30 pm: Establish a Quorum (3 out of 5)

- I. Call to Order
- II. Guest Speakers:
 - a. Johnathan Clark – Attorney
 - b. Rudy Cantu - Landscaper
- III. Secretary Report: August 16, 2016
- IV. Treasury Report: August 31, 2016
- V. Old Business
 - a. Lighting for common areas
 - b. 2017 draft budget
- VI. New Business
 - a. Landscape contract additions

*Voting was minimal
↳ Where NHO was held
seems to be the approved
area*

*If homeowner requests
to be heard during
meeting*

VII. Homeowner Forum

Homeowners may comment on agenda items, items of concern, and provide their input on a particular issue. Please stand and step forward when recognized and speak loudly and clearly for all to hear. The Board will listen and make note; no action will be taken during this meeting.

VIII. Executive Session (To go over delinquency report and attorney report)

IX. Report Actions Taken during Executive Session

X. Adjournment

- a. Next Meeting Date

Board Members: Deborah Almazan, President
✓ Christine Johnson, Secretary

✓ Neptali Sepulveda, Vice-President
✓ Kyle MacPherson, Treasurer
✓ James Bauernfeind, Director

PMG Management: Linda Le

COTTONWOOD HOMEOWNER ASSOCIATION, INC.
Regular Board Meeting Minutes
August 16, 2016 | 6:59 p.m. | Rosenberg Civic Center

1. Homeowner's Open Forum

2. Call to Order

The meeting was called to order by managing agent Linda Le at 6:59 PM. A quorum of directors was established.

Directors present:

Deborah Almazan	President
Neptali Sepulveda	Vice President
James Bauernfeind	Director

Community Manager, Linda Le, was also present.

3. Secretary's Report

No minutes available to be approved. Annual minutes are to be approved at the annual meeting.

4. Treasurer's Report

Linda presented the June financial with \$116,391.95 total Operating Funds, \$3,537.00 Due from Operating to Reserve, \$44,653.61 in Accounts Receivable, \$39,016.84 Net Income.

Motion: A motion was made by Deborah Almazan, seconded by James Bauernfeind to approve the June Financial. Motion carried and approved.

5. Old Business

Lighting for common areas:

Linda Le presented the Board with the park lighting proposal with three main areas broken down by price: Hawthorne Pasture & Cotton Gum = \$21,988.42; Wild Cotton Rd and Cotton Gum = \$13,681.05; Wild Cotton and Desert Willow = \$26,423.16; entire quote with \$5,122.64 in tax totaled = \$67,215.27. James Bauernfeind will send out survey to the community to vote on the area that is most urgent. Additional bid to be requested by multiple vendors. Bid to included kilowatt information and more lighting specification.

*Election on site:
cottonwood-hoa.com*

6. New Business

Reserve Study

Linda Le provided copies of the reserve study for the Board to review and put into consideration for 2017 budget since reserve contribution was never included during the developer control.

Draft 2017 Budget:

Linda Le presented the Board with Draft 2017 Budget and went over all the line items. Board did not approve the draft budget.

7. **Next Meeting**

The next regular board meeting of Cottonwood Homeowner Association will be on September 20th at 7 PM at the Rosenberg Civic Center.

8. **Adjourn**

Meeting adjourn at 8:12 p.m.

Approved: Deborah Almazan, President
Cottonwood Homeowner Association, Inc.

Financials

Associa'

Principal Management Group of Houston

Dear Cottonwood Board and Owners,
 Enclosed is your August 31, 2016 financial report package. As a supplement to the information contained within this report, below you'll find a brief executive summary. The financial package information reflects reporting through August 31, 2016. Additional information is available upon request.

Balance Sheet			
Account	08/31 Balance	07/31 Balance	Notes & Recommended Board Action
Operating Cash	\$87,848.48	\$131,426.49	Pacific Premier Account #1655 and #1555.
Due To / From Reserve	(\$1,178.00)	(\$589.00)	Amount due to Reserve. May & August. Researching to see why the August did not get transferred.
Reserve Cash	\$3,537.34	\$3,537.34	Transferred \$2,948.00 to reserve and included \$589 budgeted in August.
Reserve Cash (Due To / From Operating)	\$1,178.00	\$589.00	\$1,178.00 to be deposited to reserve for May & August
Accounts Receivable	\$40,024.44	\$43,357.82	Delinquent accounts.
Prepaid Insurance	\$7,683.49	\$7,683.49	Insurance for 04/01/16-03/31/17.
Accounts Payable	\$1,886.34	\$0.00	Invoices in queue for payment.
Net Income	\$40,264.27	\$64,817.96	Net from Expense & Income.

Operating Income Statement				
GL Acct #	GL Description	Actual	Budget	Explanation of Variance
4125	Developer Assessments	-\$12,971.54	\$0.00	Transfer Developer contribution to General Repair & Maint. GL as reimbursement for work performed during developer control.
4710	Late Fees & Interest	-\$778.89	\$434.00	Removed late interests to \$15 per board meeting. ←
4720	Legal Reimbursements	\$1,721.22	\$83.00	Legal charge backs to homeowner accounts that are at legal status.
6025	Water Service	\$4,650.61	\$384.00	Two months invoices
6600	General Repairs & Maintenance	-\$13,188.04	\$528.00	Transferred 4125 to 6600 to reimburse/replenish funds: \$6312.06: Pressure wash & Paint Ramada; remove/replace benches \$1,732.23: Powerwash pool deck \$1,051.60: Service GFCI in pool pump room. -\$216.50 removed from GL and applied to H/O account for trash removal.

As always, please contact me with any questions you have regarding the enclosed information or any other matters related to your community. Thank you for allowing us the opportunity to provide management services for your Association!

Sincerely,



Linda Le
 Community Association Manager
 713-329-7106 | l.le@pmghouston.com

Board trying to help residence with approval

Reviewed & Approved by:

Uinda Le
Uinda Le
Community Manager

Balance Sheet Report Cottonwood H.O.A. As of August 31, 2016

	Balance Aug 31, 2016	Balance Jul 31, 2016	Change
Assets			
Operating Funds			
1000 - Pacific Premier Bank CK - 1655	87,848.48	131,426.49	(43,578.01)
1100 - Pacific Premier Bank MM - 1555	5,044.81	5,044.17	0.64
1650 - Due to / from Reserves	(1,178.00)	(589.00)	(589.00)
Total Operating Funds	91,715.29	135,881.66	(44,166.37)
Reserve Funds			
1326 - PPB MM- #5937	3,537.79	3,537.34	0.45
1651 - Due to / from Operating	1,178.00	589.00	589.00
Total Reserve Funds	4,715.79	4,126.34	589.45
Accounts Receivable	40,024.44	43,357.82	(3,333.38)
1500 - Residential Assessments Receivable			
Total Accounts Receivable	40,024.44	43,357.82	(3,333.38)
Other Current Assets			
1600 - Prepaid Insurance	7,134.69	7,683.49	(548.80)
1640 - Other Prepaid Expenses	1,886.34	0.00	1,886.34
Total Other Current Assets	9,021.03	7,683.49	1,337.54
Total Assets	145,476.55	191,049.31	(45,572.76)
Liabilities			
Liabilities			
2025 - Transfer Fee Payable	325.00	325.00	0.00
2036 - PMG Collections	6,228.93	7,058.26	(829.33)
2037 - Payment Plan Fees	300.00	200.00	100.00
2395 - Other Accrued Expenses	950.00	8,102.41	(7,152.41)
2550 - Prepaid Assessments	6,252.42	7,262.25	(1,009.83)

Balance Sheet Report
Cottonwood H.O.A.

As of August 31, 2016

	Balance Aug 31, 2016	Balance Jul 31, 2016	Change
Liabilities			
Liabilities			
2595 - Deferred Revenue	48,510.00	60,637.50	(12,127.50)
Total Liabilities	62,566.35	83,585.42	(21,019.07)
Total Liabilities	62,566.35	83,585.42	(21,019.07)
Owners' Equity			
Owners Equity - Prior Years			
3000 - Operating Fund - Prior Year	42,645.93	42,645.93	0.00
Total Owners Equity - Prior Years	42,645.93	42,645.93	0.00
Total Owners' Equity	42,645.93	42,645.93	0.00
Net Income / (Loss)	40,264.27	64,817.96	(24,553.69)
Total Liabilities and Equity	145,476.55	191,049.31	(45,572.76)



Reviewed & Approved by:

Linda Le

Linda Le
Community Manager

Income Statement Report Cottonwood H.O.A. Operating

August 01, 2016 thru August 31, 2016

	Current Period			Year to Date (8 months)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
Income								
4000 - Residential Assessments	11,191.30	11,165.00	26.30	114,001.73	89,320.00	24,681.73	133,980.00	19,978.27
4120 - Capitalization Fee	64.16	100.00	(35.84)	3,143.84	800.00	2,343.84	1,200.00	(1,943.84)
4125 - Developer Assessments	(12,971.54)	0.00	(12,971.54)	21,127.00	0.00	21,127.00	0.00	(21,127.00)
4250 - Pool Income	(20.00)	0.00	(20.00)	420.00	100.00	320.00	100.00	(320.00)
4710 - Late Fees & Interest	(778.89)	434.00	(1,212.89)	14,786.88	3,467.00	11,319.88	5,200.00	(9,586.88)
4720 - Legal Reimbursements	1,721.22	83.00	1,638.22	3,215.53	666.00	2,549.53	1,000.00	(2,215.53)
4810 - Compliance Fines	0.00	0.00	0.00	50.00	0.00	50.00	0.00	(50.00)
4900 - Interest Earned - Operating Accounts	0.64	0.00	0.64	5.04	0.00	5.04	0.00	(5.04)
Total Income	(793.11)	11,782.00	(12,575.11)	156,750.02	94,353.00	62,397.02	141,480.00	(15,270.02)
Total Operating Income	(793.11)	11,782.00	(12,575.11)	156,750.02	94,353.00	62,397.02	141,480.00	(15,270.02)
Expense								
Administrative								
5000 - General Administrative	16.78	37.00	(20.22)	319.56	300.00	19.56	450.00	130.44
5005 - Application/Processing	50.00	67.00	(17.00)	275.00	400.00	(125.00)	400.00	125.00
5010 - Bad Debt	0.00	109.00	(109.00)	694.98	867.00	(172.02)	1,300.00	605.02
5015 - Bank Charges	0.00	0.00	0.00	50.00	100.00	(50.00)	100.00	50.00
5025 - Billing/Collections	20.00	541.00	(521.00)	7,408.07	4,333.00	3,075.07	6,500.00	(908.07)
5030 - Coupon Costs	0.00	125.00	(125.00)	0.00	1,000.00	(1,000.00)	1,500.00	1,500.00
5075 - Meeting Room Rentals	0.00	0.00	0.00	0.00	0.00	0.00	180.00	180.00
5090 - Office Supplies	10.50	0.00	10.50	10.50	0.00	10.50	0.00	(10.50)
5100 - Records Storage	18.00	27.00	(9.00)	561.30	217.00	344.30	325.00	(236.30)
5115 - Web Site Maintenance	0.00	60.00	(60.00)	0.00	480.00	(480.00)	720.00	720.00
5200 - Community Events	0.00	41.00	(41.00)	0.00	333.00	(333.00)	500.00	500.00
5210 - Copies	40.21	141.00	(100.79)	1,968.41	1,133.00	835.41	1,700.00	(268.41)
5215 - Postage	134.82	159.00	(24.18)	2,792.33	1,267.00	1,525.33	1,900.00	(892.33)
Total Administrative	290.31	1,307.00	(1,016.69)	14,080.15	10,450.00	3,650.15	15,575.00	1,494.85

Income Statement Report Cottonwood H.O.A. Operating

August 01, 2016 thru August 31, 2016

	Current Period			Year to Date (8 months)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
Expense								
Insurance								
5415 - D&O Insurance Premiums	164.42	159.00	5.42	1,301.66	1,277.00	24.66	1,916.00	614.34
5460 - Property Insurance Premiums	293.66	338.00	(44.34)	2,318.28	2,706.00	(387.72)	4,059.00	1,740.72
5470 - Other Insurance Premiums	90.72	68.00	22.72	725.57	548.00	177.57	823.00	97.43
Total Insurance	548.80	565.00	(16.20)	4,345.51	4,531.00	(185.49)	6,798.00	2,452.49
Utilities								
6000 - Electric Service	475.00	475.00	0.00	5,894.61	3,800.00	2,094.61	5,700.00	(194.61)
6025 - Water Service	4,650.61	384.00	4,266.61	12,957.45	3,067.00	9,890.45	4,600.00	(8,357.45)
6050 - Telephone Service	115.03	53.00	62.03	585.28	424.00	161.28	636.00	50.72
Total Utilities	5,240.64	912.00	4,328.64	19,437.34	7,291.00	12,146.34	10,936.00	(8,501.34)
Landscaping								
6100 - Grounds & Landscaping - Contract	2,345.41	2,416.00	(70.59)	18,763.28	19,326.00	(562.72)	28,989.00	10,225.72
6110 - Landscape Replacement & Installation	0.00	0.00	0.00	0.00	1,600.00	(1,600.00)	3,200.00	3,200.00
6140 - Force Mow	0.00	60.00	(60.00)	0.00	300.00	(300.00)	300.00	300.00
6200 - Irrigation Repair & Maintenance	519.60	116.00	403.60	1,326.06	583.00	743.06	700.00	(626.06)
Total Landscaping	2,865.01	2,592.00	273.01	20,089.34	21,809.00	(1,719.66)	33,189.00	13,099.66
Contracted Services								
6438 - Pool Management	25,837.36	6,500.00	19,337.36	38,320.00	32,500.00	5,820.00	39,000.00	680.00
Total Contracted Services	25,837.36	6,500.00	19,337.36	38,320.00	32,500.00	5,820.00	39,000.00	680.00
Repair & Maintenance								
6545 - Electrical Supplies/Repair & Maintenance	0.00	28.00	(28.00)	0.00	171.00	(171.00)	200.00	200.00
6560 - Fences & Gates Repair & Maintenance	500.00	166.00	334.00	500.00	833.00	(333.00)	1,000.00	500.00
6595 - Monument Repair & Maintenance	0.00	150.00	(150.00)	0.00	750.00	(750.00)	900.00	900.00
6600 - General Repair & Maintenance	(13,188.04)	528.00	(13,716.04)	1,760.96	3,171.00	(1,410.04)	3,700.00	1,939.04
6685 - Park Repair & Maintenance	0.00	500.00	(500.00)	468.24	3,000.00	(2,531.76)	4,000.00	3,531.76
6700 - Pool Supplies/Repair & Maintenance	0.00	437.00	(437.00)	1,260.06	2,625.00	(1,364.94)	3,500.00	2,239.94

Income Statement Report Cottonwood H.O.A.

Operating

August 01, 2016 thru August 31, 2016

Expense	Current Period			Year to Date (8 months)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
Repair & Maintenance								
6745 - Signage Repair & Maintenance	0.00	33.00	(33.00)	0.00	200.00	(200.00)	200.00	200.00
Total Repair & Maintenance	(12,688.04)	1,842.00	(14,530.04)	3,989.26	10,750.00	(6,760.74)	13,500.00	9,510.74
Professional Services								
7000 - Audit & Tax Services	0.00	0.00	0.00	250.00	400.00	(150.00)	400.00	150.00
7020 - Legal Services	0.00	83.00	(83.00)	0.00	333.00	(333.00)	500.00	500.00
7025 - Legal Services - Collections	404.04	334.00	70.04	6,363.81	2,667.00	3,696.81	4,000.00	(2,363.81)
7040 - Management Fees	1,262.91	855.00	407.91	9,611.13	6,839.00	2,772.13	10,259.00	647.87
Total Professional Services	1,666.95	1,272.00	394.95	16,224.94	10,239.00	5,985.94	15,159.00	(1,065.94)
Taxes								
9015 - Property/Real Estate Tax	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
Total Taxes	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
Other Expenses								
9105 - Reserve Contribution Expense	589.00	589.00	0.00	4,715.00	4,715.00	0.00	7,073.00	2,358.00
Total Other Expenses	589.00	589.00	0.00	4,715.00	4,715.00	0.00	7,073.00	2,358.00
Total Operating Expense	24,350.03	15,579.00	8,771.03	121,201.54	102,265.00	18,936.54	141,480.00	20,278.46
Total Operating Income / (Loss)	(25,143.14)	(3,797.00)	(21,346.14)	35,548.48	(7,912.00)	43,460.48	0.00	(35,548.48)

Income Statement Report Cottonwood H.O.A.

Reserves

August 01, 2016 thru August 31, 2016

	Current Period			Year to Date (8 months)			Annual Budget	Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance		
<u>Income</u>								
4905 - Reserve Contribution Income	589.00	589.00	0.00	4,715.00	4,715.00	0.00	7,073.00	2,358.00
4910 - Interest Earned - Reserve Accounts	0.45	0.00	0.45	0.79	0.00	0.79	0.00	(0.79)
Total Income	589.45	589.00	0.45	4,715.79	4,715.00	0.79	7,073.00	2,357.21
Total Reserves Income	589.45	589.00	0.45	4,715.79	4,715.00	0.79	7,073.00	2,357.21
Total Reserves Income / (Loss)	589.45	589.00	0.45	4,715.79	4,715.00	0.79	7,073.00	2,357.21
Total Association Net Income / (Loss)	(24,553.69)	(3,208.00)	(21,345.69)	40,264.27	(3,197.00)	43,461.27	7,073.00	(33,191.27)

Old Business

Linda Le

From: Sherrie Cruz
Sent: Friday, May 13, 2016 1:02 PM
To: Linda Le
Subject: Cottonwood Lighting REVISED
Attachments: Cottonwood Park Lighting Project Estimate 02.16.pdf

Linda,

Below is the breakdown. There isn't enough room on my Proposal System to itemize everything. I hope this helps.

Park Lights - Hawthorne Pasture Rd & Cotton Gum Lane

1. Trench from the clubhouse to (4) pole light locations. (A) (X)
 2. Furnish and install conduit and wire for (4) new lights.
 3. Furnish and install (4) 12' pole lights in the park. (one near each bench, 2 in the front of the gazebo).
 4. Furnish and install (1) photocell to control the lights.
- Contract Work \$21,988.42 *No way! Need better quote (LED lights)*

*James provide
on website
Survey on website.*

Park Lights - Wild Cotton Rd & Cotton Gum Ln (A)

1. Coordinate with the resident of 535 Wild Cotton for access in their back yard.
 2. Trench from the transformer at 535 to new electrical service location.
 3. Trench from new service location to the right and left of the circle.
 4. Furnish and install (1) 100A meter can & (1) 100A N3 Panel.
 5. Furnish and install conduit and wire for (2) new pole lights.
 6. Furnish and install (2) 12' Pole lights (one to the left of the circle and the other to the right)
 7. Furnish and install (1) photocell to control the lights.
- Contract Work \$13,681.05

Park Lights - Wild Cotton & Desert Willow

1. Trench from service location to (4) pole light locations.
 2. Furnish and install conduit and wire for (4) new lights.
 3. Furnish and install (4) 12' pole lights in the park. (one in each corner of the park).
 4. Furnish and install (1) photocell to control the lights.
- Contract Work \$26,423.16

APPLICABLE SALES TAX
\$5122.64

TOTAL: \$67,215.27

Sherrie Cruz
Maintenance Service Coordinator



Project Proposal

May 13, 2016

Cottonwood
c/o Principal Management Group of Houston
11000 Corporate Centre Dr. Ste #150
Houston, TX 77041
ATTN: Sonia LeCompte

Proposal For: Install park lighting in all three parks.

Original Work Requested:

Please supply a quote to install lighting in all the parks.

Solution Proposed:

Park Lights - Hawthorne Pasture Rd & Cotton Gum Lane 1. Trench from the clubhouse to (4) pole light locations. 2. Furnish and install conduit and wire for (4) new lights. 3. Furnish and install (4) 12' pole lights in the park.(one near each bench, 2 in the front of the gazebo). 4. Furnish and install (1) photocell to control the lights. **Park Lights - Wild Cotton Rd & Cotton Gum Ln** 1. Coordinate with the resident of 535 Wild Cotton for access in their back yard. 2. Trench from the transformer at 535 to new electrical service location. 3. Trench from new service location to the right and left of the circle. 4. Furnish and install (1) 100A meter can & (1) 100A N3 Panel. 5. Furnish and install conduit and wire for (2) new pole lights. 6. Furnish and install (2) 12' Pole lights (one to the left of the circle and the other to the right) 7. Furnish and install (1) photocell to control the lights. **Park Lights - Wild Cotton & Desert Willow** 1. Trench from service location to (4) pole light locations. 2. Furnish and install conduit and wire for (4) new lights. 3. Furnish and install (4) 12' pole lights in the park.(one in each corner of the park). 4. Furnish and install (1) photocell to control the lights. PLEASE NOTE: All lights to be LED dual headed fixtures.

Payment Terms

Payment is due upon completion at the time of service. Sales Tax NOT included in price quote.

Too Expensive!

Total Price

\$

67,215.00

We look forward to the opportunity of providing services in your community. Please do not hesitate to contact us with any questions or concerns.

Sincerely,

Daniel Platz
Estimator
Associa OnCall
713.447.0027

*Weed better
Quotes HOA available
for walk-thru*

102185 Georgibelle Dr. Ste. #700, Houston, TX 77043 - p 713.329.7124 f 713.329.7198

www.associaoncall.com - pmgmainenance@pmghouston.com

Initial: _____ / _____



Associa OnCall
Expert service from a trusted neighbor

Project Proposal

Terms & Conditions

1. LICENSING: Contractor is duly licensed under the law and statutes of the State of .
0

2. Exclusions & Qualifications: A reasonable allowance on all dimensions shall be allowed. Site will be received free of debris and ready to commence work. This contract provides for no import, export or movement of soil unless indicated here:
N/A

3. TIME LIMIT: This proposal is valid for 60 days from the date herein above written. At which time the contractor reserves the right to resubmit an updated proposal to the client based on current market pricing and conditions.

4. ADDITIONAL WORK: Should Client or his agents direct or request additional work outside the scope of the attached plans and specifications, then Contractor shall perform that work and the cost of the additional work shall be added to the contract price in accordance with a signed change order and paid by the Client as agreed. Contractor shall be reimbursed for any unusual or unknown conditions such as rock and high water table, etc.

5. RIGHT TO STOP WORK: Contractor shall have the right to stop work if any payment shall not be made to him under this agreement. Such action by Contractor shall not, in any manner, be deemed a breach of this contract by Contractor.

6. DELAYS: Contractor shall be excused for any delays or defaults by him in the performance of this agreement caused by acts of the Client or Client's agents, acts of any governmental authority, acts of God, the elements, war conditions, commercial shortages of required labor or materials, litigation, labor disputes, extra work, failure of the Client to make payments when due promptly, or other contingencies unforeseeable by or beyond the control of the Contractor.

7. CONTRACTOR RESPONSIBILITIES:
 - a. LIENS: Contractor will be responsible for discharging all liens filed as a result of the work, providing the Contractor has been paid in full.
 - b. CONTRACTOR LIABILITY: Contractor assumes full responsibility for any payments to his employees and agents and subcontractors and subcontractors' employees and agents when acting under Contractors directions, so long as Contractor has been paid in full.
 - c. PERMITS: Contractor will NOT apply and pay for all construction permits as necessary unless itemized in an addendum.
 - d. WORKERS COMPENSATION AND LIABILITY INSURANCE: Contractor shall provide and maintain during the continuance of this agreement, a policy of workers' compensation and liability insurance for the protection of his employees and Client's property.

8. AGREEMENT, SPECIFICATIONS & PLANS: This agreement, the plans for the project, and the specifications for the project, are intended to supplement each other so that any work mentioned in one such instrument but not the others, shall be performed in the same manner as if mentioned in all such instruments. If a conflict arises between such instruments, the specifications shall control the plans and this agreement shall control both the plans and specifications.

9. PRIOR AGREEMENTS: This instrument constitutes the sole and only agreement of the parties hereto relating to the project and correctly sets forth the rights, duties and obligations of each to the other, as of this date. Any prior agreements, promises, negotiation, or representations not expressly set forth in this agreement are of no force and effect.

102185 Georgibelle Dr. Ste. #700, Houston, TX 77043 - p 713.329.7124 f 713.329.7198

www.associaoncall.com - pmgmaIntenance@pmghouston.com

Initial: _____ / _____



Terms & Conditions (Continued)

- 10. **MODIFICATION AND PAYMENT FOR MODIFICATION:** The Client and Contractor must agree in writing to any modification or addition to the work covered by this contract. The Contractor shall do no extra work without the written authorization of the Client. Any written agreement shall list the agreed price and any changes in terms, and be signed by both parties. Any Change Orders for changes or extra work shall be incorporated in, and become part of this contract. Contractor shall be compensated in an amount to be determined before the extra work is performed and such amount, including Contractor's usual fee for overhead and profit shall be made as the extra work progresses, concurrently with payments made under payments schedule.
- 11. **NO FAULT DAMAGE—FIRE AND ACTS OF GOD:** If the project or any part thereof is destroyed by fire, theft, vandalism, accident or act of God, or in any other way damage through no fault of the Contractor, any work done or materials furnished by contractor in restoring or rebuilding the project shall be paid for by Client, as an "extra" if Client elects to rebuild. If Client elects not to rebuild, Contractor shall be paid for all work done and materials prepared, ordered, and in place prior to the event causing the damage. This payment will include a reasonable profit and overhead. Client must elect to rebuild or not within (30) days of damage or destruction of the project. If Client fails to make such election, Contractor may terminate this agreement, and shall be paid in the same manner as if the Client elected not to rebuild.
- 12. **ENFORCEMENT:** In the event of the parties hereto becoming involved in litigation arising out of this Agreement or the performance or breach thereof the court in such litigation, or in separate suit, shall award reasonable costs, expenses and attorney's fees to the prevailing party. The court shall not be bound by any court fee schedule and may, in the interest of justice, award the full amount of costs, expenses and attorney's fees incurred in good faith
- 13. **GUARANTEE OF WORKMANSHIP:** Work performed under this contract shall be completed in a workmanlike manner. Approval by building inspectors shall be deemed to constitute a determination that work was completed in a workmanlike manner and shall be binding on the undersigned. There are no warranties either expressed or implied except those specifically set forth in this contract, and there are absolutely no guarantees: (1) not to exceed ninety (90) days unless otherwise specifically state d; (2) on installed ore repaired hardscape against cracking, settling, raising, or discoloration, nor is mastic guaranteed from pulling away as a result of raising or settling.
 - a. **BROOM CLEAN CONDITION:** On completion of the project, Contractor shall remove all debris and surplus materials of his own making from the site of the project and leave such site in "broom clean" condition.
 - b. **MATCHING COLOR AND TEXTURE:** Where texture and colors are to be matched, Contractor shall make every reasonable effort to do so using standard texture colored material, but does not guarantee a perfect match.
- 14. **WARRANTY:** Guarantees and warranties are effective only if Client has complied with all the terms and conditions, payments and other provision of this contract.
- 15. **WARRANTY LIMITS:** The liability of the contractor for defective materials or installations is hereby limited to the replacement or correction of such defect and/or installation. No other claims or demands what-so-ever shall be made upon or allowed against the Contractor. This limited warranty extends only to the Client and is not transferable. There is neither implied warranty of merchant ability nor implied warranty of fitness for any particular purpose. There are no warranties, either expressed or implied, which extend beyond the description contained in this paragraph. This warranty shall terminate one year from the date of final inspection or the date of completion, whichever is sooner.
- 16. **CLIENT RESPONSIBILITIES:**
 - a. **PROPERTY LINES, EASEMENTS, AND ACCESSIBILITY:** Client shall be responsible for the location of property lines, easements an providing access for Contractor. Any work stoppage and/or change or work because of property line disputes or accessibility shall be treated as additional work and so charged.
 - b. **UNDERGROUND UTILITIES:** Client shall be responsible for location and depth of underground utility lines and/or systems.
 - c. In Compliance with Federal and State law, Client agrees to make drinking water and toilet facilities available to all workmen or compensate Contractor cost of rented units. Client agrees to provide electricity and water at job site as may be required by Contractor to work herein.
 - d. Client or Client's agent shall be responsible to coordinate the respective trades to ensure efficient and economical

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Initial: _____ / _____



Terms & Conditions (Continued)

- e. **MAINTENANCE RESPONSIBILITIES:** Unless specifically included in the scope of work, Client and not Contractor, is responsible for any existing conditions. In the event that any existing conditions are "illegal" or not in conformity with existing building code requirements, and Contractor is required by either Client, or anyone else, to repair, or bring those conditions up to code will be treated as additional work and so charged.
17. **ASBESTOS, TOXIC MATERIAL AND HAZARDOUS WASTE:** Unless the contract specifically calls for the removal, disturbance or transportation of asbestos, toxic material, or other hazardous substances, the parties acknowledge that such work requires special procedures, precautions, and/or licenses. Therefore, unless the contract specifically calls for same, if Contractor encounters such substances, Contractor shall immediately stop work and allow the Client to obtain a duly qualified asbestos and/or hazardous material Contractor to perform the work or do the work himself at Contractor's option. Said work will be treated as an extra under this contract.
18. **VALIDITY AND DAMAGES:** In case one or more of the provisions of this Agreement or any application thereof shall be invalid, unenforceable or illegal, the validity, enforceability and legality of the remaining provisions and any other application shall not in any way be impaired thereby any damages for which Contractor may be liable to Client shall not, in any event, exceed the cash price of this contract.
19. **CHOICE OF LAW:** This Agreement shall be construed in accordance with the laws of the state in which the Property is located.

Attachments of other documents hereby made part of this agreement:

<input type="checkbox"/> Terms & Conditions	<input type="checkbox"/> Additional Scope of Work
<input type="checkbox"/> Plans	<input type="checkbox"/> Additional Specs
<input type="checkbox"/> Other	<u>N/A</u>

By signing below, Customer and Contractor each acknowledges that it has read and understands the above and attached terms and conditions and that it accepts and agrees to be bound by such. IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first hereinabove written.

BY: _____
For: PMG Houston Maintenance

BY: _____
For: Cottonwood

102185 Georgiabelle Dr. Ste. #700, Houston, TX 77043 - p 713.329.7124 f 713.329.7198

www.associaoncall.com - pmgmaintenance@pmghouston.com

Initial: _____ / _____

Approved to break even

2017 Draft Budget Comparison

	2016 Operating Budget	2016 YTD Actuals	2016 Yearly Projected	2017 - No Increase \$385	2017 - 5% Increase \$404	2017 - 10% Increase \$424	Description
INCOME							
Resident Assessment (436 units)	133,980	114,002	154,357	167,860	176,144	184,864	
Capitalization Fee	1,200	3,144	3,074	600	600	600	
Pool Income	100	420	340	200	200	200	Purchase additional pool tags
Late Fees & Interest	5,200	14,787	17,906	5,200	5,200	5,200	Interest charge on accounts (not actual income)
Legal Reimbursements	1,000	3,216	2,077	1,500	1,500	1,500	Charge back (not actual income)
Compliance Fines		50	25				Fines for Deed Restriction Violation
Interest Earned- Operating	0	5	3	8	8	8	
Force Mows	0	0	50	50	50	50	Charge back (not actual income)
TOTAL	141,480	135,624	177,832	175,418	183,702	192,422	
ADMINISTRATIVE							
Operating Budget	450			350	350	350	
General Admin	400	320	361	350	350	350	Increase to reflect postage 2016 Budget
Application/Processing	275	275	400	350	350	350	ACC application
Bad Debt	1,300	695	1,159	1,300	1,300	1,300	Varies by year
Bank Charges	100	75	75	100	100	100	No change
Billing/ Collections	6,500	7,408	10,844	6,500	6,500	6,500	Varies by year
Community Events	500	0	500	500	500	500	Contingency for National Night Out
Coupon Cost	1,500	0	875	1,500	1,500	1,500	Usually billed in December
Meeting Room Rental	180	0	180	180	180	180	Cost at Rosenberg Civic Center
Records Storage	325	561	382	240	240	240	Reduce amount and create a ledger with office supplies
Office Supply	0	11	0				To be remove and add to general admin
Website Maintenance	720	0	420	100	100	100	Keep up with domain name
Copies	1,700	1,968	1,278	2,200	2,200	2,200	Increase to reflect postage for collection letters.
Postage	1,900	2,792	2,613	3,000	3,000	3,000	Increase to reflect postage for collection letters.
Sub-total	15,575	14,080	19,086	16,320	16,320	16,320	
INSURANCE							
Operating Budget	1,916			1,935	1,935	1,935	
D & O Insurance	1,302	1,302	1,926	1,935	1,935	1,935	Line items are changed to reflect the charge. Total
Property Insurance	4,059	2,318	3,805	4,959	5,000	5,000	Insurance budget did not charge.
Other Insurance Premiums	823	726	933	960	960	960	
Sub-total	6,798	4,346	6,665	7,854	7,895	7,895	
UTILITIES							
Operating Budget	5,700			8,000	8,000	8,000	
Electric Service	4,600	5,895	8,693	8,000	8,000	8,000	Increase to reflect budget
Water Service	636	12,957	4,820	8,000	10,000	10,000	Increase to reflect budget
Telephone Service		585	634	1,205	1,205	1,205	Added King's III emergency monitoring service
Sub-total	10,936	19,437	14,147	17,205	19,205	19,205	
LANDSCAPING							
Operating Budget	28,989			28,989	28,989	28,989	
Grounds & Landscaping - Contract	18,763	18,763	28,637	28,989	28,989	28,989	No change

2017 Draft Budget Comparison

Landscape Replacement	3,200	0	1,600	3,200	3,200	3,200	No change
Force Mow	300	0	180	300	300	300	No change
Irrigation Repair & Maintenance	700	1,326	467	1,500	1,500	1,500	Irrigation repair to reflect expenses in 2016
Sub-total	33,189	20,089	30,884	33,989	33,989	33,989	
CONTRACTED SERVICES							
Pool Management	39,000	38,320	33,717	38,000	38,000	38,000	According to Swim Houston Contract
Sub-total	39,000	38,320	33,717	38,000	38,000	38,000	
REPAIR & MAINTENANCE							
Operating Budget	200	0	114	2,800	3,700	11,700	Security light fixture addition.
Electrical & Supplies/Repairs	1,000	500	667	1,000	1,000	1,000	
Fence Repair/Maintenance	900	0	600	0	0	0	Delete - Item has not been used.
Monument Repairs	3,700	1,761	2,823	2,000	2,000	2,000	Reduce amount, minimal work has been done previously
General Repair /Maintenance	4,000	468	2,500	2,000	2,000	2,000	Reduce amount, minimal work has been done previously
Park Repair & Maint	3,500	1,260	2,780	2,500	2,500	2,500	Reduce amount, minimal work has been done previously
Pool Supplies/ Repair/Maint.	200	0	100	200	200	200	No change, contingency
Signage Repair/ Maint.	13,500	3,989	9,585	10,500	11,400	19,400	
Sub-total							
2016 Operating Budget	400	250	250	400	400	400	No change
Audit & Taxes Service	500	0	333	500	500	500	No change
Legal Service	4,000	6,364	7,926	4,000	4,000	4,000	Varies by year.
Legal Service - Collections	10,259	9,611	11,863	14,941	14,941	14,941	Management cost with all lots counted. No increase
Management Fees	15,159	16,225	20,372	19,841	19,841	19,841	
Sub-total							
2016 Operating Budget	250	0	250	250	250	250	Property & MUD Tax
Property/ Real Estate Tax	250	0	250	250	250	250	
Sub-total							
2016 Operating Budget	7,073	4,715	7,073	28,764	28,764	28,764	Recommended amount per reserve study
Repair & Replacement Expenses	7,073	4,715	7,073	28,764	28,764	28,764	
Sub-total							
TOTAL	-141,480	121,201	141,779	172,723	175,664	183,664	
Cashflow (+/-)	0	14,423	12,578	-4,863	480	1,200	Income of Annual Assessment ONLY - Total expense

Deficit

Even

New Business



Green Masters Lawn Inc.
COMMERCIAL & RESIDENTIAL

5403 RANCHO DR
NEEDVILLE, TX 77461

OFFICE #281-341-0033

CELL# 832-364-2475

September 15, 2016
Attn: Linda Le

RE: Cottonwood HOA

Green Masters Lawn, Inc. proposes the following:

Tree trimming throughout entire common area, pool, setbacks Labor \$2,800.00 dump fee \$500.00

Brown hardwood mulch 80 cys \$3,600.00 Labor \$1,200.00

Season flowers for spring \$2,700.00 and fall \$2,700.00

Subtotal \$13,500.00

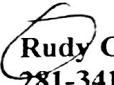
Tax \$1,113.75

Total \$14,613.75

*Revised....
Will be re-visited*

Please sign in space provided below authorizing your approval and return a copy back to our office via email at rcantu@greenmasterslawn.com. If you have any questions or concerns call the number listed below.

Best Regards,


Rudy Cantu
281-341-0033 office
832-364-2475 mobile

*Thank you
Rudy for coming to
the meeting!*

Signature: _____

Signature: _____

Delinquency

Delinquency Summary Report - 30 Days
 Cottonwood H.O.A.
 As of: Tue Oct 11, 2016

Protected Names & Addresses

Account Id	Name	Address	Delinq Date	31-60 day	61-90 day	91-120 day	120+ day	Total Balance
Payment Plan								
00403-4661			03/23/2016	21.52	21.52	21.52	133.26	197.82
00304-4144			05/20/2016	309.95	7.78	7.78	424.17	749.68
00391-6829			10/04/2016	180.76	26.93	26.93	552.06	786.68
00398-7803			06/17/2016	26.54	26.54	7.36	435.97	496.41
00402-2725			06/17/2016	23.35	23.35	23.35	223.42	293.47
00292-1909			06/17/2016	22.76	5.13	7.50	183.95	219.34
Total Payment Plan:				584.88	111.25	94.44	1,952.83	2,743.40
Past Due								
00386-6856			06/01/2016	30.05	30.05	30.05	812.05	902.20
00335-0317			07/14/2016	27.78	27.78	92.73	571.32	719.61
Total Past Due:				57.83	57.83	122.78	1,383.37	1,621.81
209/30 Day Cert								
00413-1849			08/16/2016	32.18	0.00	207.79	0.00	239.97
Total 209/30 Day Cert Ltr:				32.18	0.00	207.79	0.00	239.97
Title Search								
00271-8400			08/16/2016	87.37	26.94	35.87	572.32	722.50
Total Title Search:				87.37	26.94	35.87	572.32	722.50
Attorney - Collection								
00389-3256			06/16/2016	30.05	30.05	55.05	812.05	927.20
00269-7712			04/27/2015	431.06	31.52	31.52	2,091.49	2,585.59
00300-6784			05/20/2016	303.86	34.88	34.88	1,439.22	1,812.84
00233-9973			06/16/2016	30.05	30.05	55.05	812.05	927.20
00245-4502			06/30/2016	40.89	40.89	65.89	2,528.84	2,676.51
00316-6268			06/16/2016	10.05	10.05	10.05	603.05	633.20
00339-1790			06/16/2016	30.05	30.05	55.05	812.05	927.20
00206-1717			08/26/2014	47.43	47.43	47.43	2,925.62	3,067.91
00334-9755			06/16/2016	30.05	30.05	55.05	812.05	927.20
00199-4212			06/16/2016	30.05	30.05	55.05	812.05	927.20
00312-1096			09/14/2016	85.81	19.33	20.08	1,644.96	1,770.18
Total Attorney - Collection:				1,069.35	334.35	485.10	15,293.43	17,182.23

Tue Oct 11, 2016 02:43 pm
 Report: dmr_del_summary_31_days

Delinquency Summary Report - 30 Days
 Cottonwood H.O.A.
 As of: Tue Oct 11, 2016

User: lile
 Linda Le

Account Id	Name	Address	Delinq Date	31-60 day	61-90 day	91-120 day	120+ day	Total Balance
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Attorney - Paid In Full Pending Invoices								
00385-6918			02/12/2016	9.86	0.90	0.90	163.54	175.20
00308-6173			02/25/2016	0.00	0.00	0.00	38.58	38.58
00214-7233			09/19/2016	78.39	20.00	0.00	1,951.82	2,050.21
00218-1066			08/24/2015	0.00	0.00	0.00	30.06	30.06
Pending Invoices:				88.25	20.90	0.90	2,184.00	2,294.05

Bankruptcy								
00283-2881			12/29/2015	0.00	0.00	0.00	1,174.83	1,174.83
Total Bankruptcy:				0.00	0.00	0.00	1,174.83	1,174.83

Pre-Bankrupt								
00213-0596			04/07/2016	366.70	0.00	0.00	6,089.16	6,455.86
00218-1118			12/03/2013	0.00	0.00	0.00	410.60	410.60
Total Pre-Bankruptcy:				366.70	0.00	0.00	6,499.76	6,866.46

Small Balance								
00294-7750			07/14/2016	1.63	1.63	1.63	111.73	116.62
00394-3876			07/14/2016	1.63	1.63	1.63	130.81	135.70
00320-0001			07/14/2016	1.63	1.63	1.63	130.81	135.70
00400-8011			07/14/2016	1.45	1.45	1.45	118.73	123.08
Total Small Balance:				6.34	6.34	6.34	492.08	511.10

Current								
00370-3566			03/21/2016	0.43	0.43	0.43	42.19	43.48
00206-1571			01/07/2016	0.00	0.00	0.00	2.61	2.61
00323-5911			04/18/2016	1.02	1.02	1.02	88.51	91.57
00398-5368			04/18/2016	1.02	1.02	1.02	94.29	97.35
00279-8815			03/21/2016	0.51	0.51	0.51	47.51	49.04
00288-1832			05/17/2016	1.01	1.01	1.01	93.77	96.80
00231-9935			03/21/2016	0.43	0.43	0.43	42.19	43.48
00412-9592			06/29/2016	0.00	0.00	5.00	0.00	5.00
00201-5530			06/27/2016	22.34	0.00	0.00	0.00	22.34
00313-9253			03/21/2016	0.43	0.43	0.43	42.19	43.48
00350-3504			08/26/2014	1.04	1.04	1.04	95.42	98.54
00335-0320			06/11/2013	0.00	0.00	0.00	5.77	5.77

Delinquency Summary Report - 30 Days
Cottonwood H.O.A.
 As of: Tue Oct 11, 2016

Account Id	Name	Address	Delinq Date	31-60 day	61-90 day	91-120 day	120+ day	Total Balance
Current								
00297-1933			03/21/2016	0.00	0.00	0.00	28.93	28.93
			03/17/2015	0.00	0.00	25.00	5.77	30.77
00328-9404			Total Current:	28.23	5.89	35.89	589.15	659.16
Settled Account								
00377-4579			10/16/2015	0.00	0.00	0.00	240.00	240.00
			Total Settled Account:	0.00	0.00	0.00	240.00	240.00
CAM Hold								
00367-2626			05/03/2016	0.00	0.00	0.00	602.67	602.67
00399-6917			04/29/2016	0.00	0.00	0.00	260.00	260.00
00220-8253			05/11/2016	0.00	0.00	0.00	100.00	100.00
			Total CAM Hold:	0.00	0.00	0.00	962.67	962.67
Total Association:				2,321.13	563.50	989.11	31,344.44	35,218.18