

WHITE BLUFF POA BOARD MEETING
November 21, 2011

The meeting was called to order on Thursday, November 21, 2011 at 10:00a.m. Those present were Clark Willingham, George Collins, Fred Curran, Fred Molsen, Stack Bowers, Don Fritz., Larry Groppe, Mike Ward, Kevin Shea and Milt Bergman. Tammy Rudder, Jeff Schmidt and Jonathon Hawkins attended parts of the meeting.

1) Board Minutes

- Milt made a motion to approve the minutes from the October 20, 2011 Board meeting.
- Fred seconded the motion and the motion passed.
- The minutes will be posted to the website.

2) October 2011 Financial Statements – Fred Curran

- The new pumps that were expensed in the September financials have now been reclassified as an asset in October.
- Fred stated that we lost some ground with maintenance fee collections. However, when the 2011 audit is performed the auditors will convert the maintenance fee income to accrual accounting. Currently the amounts shown on the Income Statement are fees that have been collected.
- Fred reviewed each department's income statement and answered any questions.
- A discussion took place on how to treat the \$143,000 in road repair that was budgeted in 2011 but was not spent in 2011. The issue is whether the Association can expense this amount in 2011 or carrying it into 2012. It was decided that Kevin would look into the proper way to treat this amount and report his findings at the next Board meeting in December.
- Clark made a motion to approve the financials.
- Larry seconded the motion and the motion passed.

3) Funding the designated funds

- The Board decided to fund the following accounts for future repairs and improvements.
 - Future Road repairs – The Board agreed that an initial funding of \$143,000.00 should take place.
 - Future Golf Course Improvements - The Board agreed that an initial funding of \$100,000 should take place.
- Larry made the following motion:

Approve the creation of the above designated bank accounts for Future Road Repair (\$143,000) and Future Golf Course Improvements (\$100,000). These accounts are the only designated accounts at this time and the above titles of the accounts supersede any other titles that could have been mentioned in past Board minutes.

Clark seconded the motion and the motion passed with Mike and Fred abstaining.

- Fred will work on getting these accounts set up with a local bank.

4) Financial Management Policies- Larry Groppe

- Larry went over the proposed changes to the Financial Management Committee's Policies and Procedures. They included the following:

- The Association starting in 2012 will maintain their own Accounts Payable system which includes writing their own checks for trade payables.

- Income Statement and Balance Sheet ratios were changed to be more reflective of the Association business.

- The Board agreed to change the Financial Management Committee to become a permanent committee. This committee was originally started as an AD Hoc committee.

- Larry will make the changes describe above to the Financial Management Committee Policies and Procedures manual and bring the final report to the December Board meeting.

- Larry made a motion to approve the changes describe above to the Financial Management Policies and Procedures with final report being presented in December.

- Mike seconded the motion and the motion passed.

5) 2012 Budget- Fred

- Fred went over the proposed 2012 WBPOA operating, minor improvements and capital budgets.

- It was decided to postpone the approving of the 2012 budget until the next Board meeting in December so that the following issues can be investigated:

1. The 2012 budget proposes an increase in the Management Fee. – The Financial Management Committee will study this to see if an increase in the fee is warranted.

2. The Cascade Pool needs to be replastered. Stack Bowers and Fred Molsen are going to study this to see how this cost should be shared with the Association and the Developer.
3. Golf Course Maintenance would like to purchase a Sand Pro. Fred Molsen will report the pros and cons of purchasing or not purchasing the Sand Pro at the next Board meeting.

6) Appropriate time to change new course greens

- Fred Molsen provided a cost comparison between Bent grass vs. Bermuda greens. This analysis will be included with the minutes.
- As stated earlier in these minutes it was agreed to fund \$100,000 into a separate bank account for future Golf Course repairs in 2011. In addition to this funding the Board also agreed to fund an additional \$75,000 in 2012.
- The Board will let the greens committee determine the appropriate time to replace new course greens.

7) White Bluff Maintenance Fee Aging – Tammy Rudder

- Tammy distributed a report outlining the makeup of the current fees owed to the Association accounts
- Tammy also passed out the current collection procedures.
- The Board needs to prepare a procedural memo on how overdue accounts are transferred to Tammy for collections.
- Clark made a motion to cease Maintenance Fee Foreclosures after January 1, 2012. This suspension of Maintenance Fee foreclosures will be in effect until proper guidance has been decided by the Texas Supreme Court with regards to this issue.
- Milt seconded this motion and the motion passed with Mike and Fred abstaining.

8) Resort credit program- Milt

- Milt passed out report summarizing changes in resort credit program in 2010 and 2011. Additionally, his report included proposed changes to the program for 2012.

- Stack Bowers and Fred Molsen will look at the proposed new changes for 2012 and report back to the Board.
- Larry made motion for no changes to be made to the resort credit program for 2012.
- Clark seconded and the motion passed with Mike and Fred abstaining.

9) New Policies

- Code of Conduct Policy – George distributed a proposed policy regarding a Code of Conduct for Association meetings. Jonathan Hawkins and George will review and revise this policy for the Board to review at a later date.
- Jonathon passed out policies regarding the following:
 1. Document Retention policy
 2. Inspection and Copying of Association Records
 3. Payment Plan Policy
- Jonathon asked the Board to study these new policies and send any proposed changes to him. The goal is to adopt the above policies at the next Board meeting. A foreclosure policy will be needed once the Texas Supreme Court provides legal guidance. The existing Resale Certificate Policy will be modified for compliance with the new laws.

10) Lawsuits

- Walkinshaw/ Castillo- a settlement letter was proposed by Rose Walker and is currently being reviewed.
- Saturn - filing a brief with the Texas Supreme Court on Wednesday, November 23, 2011.

11) Next meeting will be Monday, December 19, 2011 at 10:00AM at Double Diamond in Dallas.

12) Ratification of modification to the White Bluff Resort Program

- Jonathan drafted a letter for the Board's review. Board will review and hopefully will execute the letter at the next Board meeting.

13) Audit 2011- George

- George spoke with Andy Freundlich with Weaver LLC on whether Weaver will perform the 2011 Association audit. At this point Weaver has not yet decided on whether they will perform the audit.
- Weaver is reluctant in performing the audit due to of all the litigation that currently surrounds the Association.
- Will update at the next Board meeting.

14) Other Business

1. Property Owner newsletter prepared by George and approved by the Board will be sent to all property owners.
2. Need to make sure minutes that are on the website cannot be altered by users.
3. George made motion to authorize the road committee to pay \$1,000 to the county for materials used in the repair of Hill County Road 1145 damaged when the traffic was diverted onto said road during the closure of a section of White Bluff Drive for repair to the covered bridge. This benefited all White Bluff owners. Larry seconded and motion passed.
4. Deer survey - Milt has the report and can email the report for anyone's review.

There being no further business, the meeting was adjourned at 4:00 p.m.

Kevin Shea – Assistant Secretary