

WHITE BLUFF POA BOARD MEETING January 16, 2012

George Collins called the meeting to order on Monday, January 16, 2012 at 11:00a.m. The location of the meeting was held at the White Bluff Administrative offices.

1) Executive Session

Milt Bergman made a motion to adjourn the Board meeting so that the Board could move into an executive session. Larry Groppe seconded the motion and the motion passed.

INTRODUCTION

2) George Collins reconvened the Board Meeting at 1:00 p.m. at the Conference Center located at White Bluff Resort and made the following opening comments:

- a) Board meetings will now be opened to any association member but are not opened to the general public.
- b) This is the first Board meeting that will be conducted under the new Association rules that the State of Texas passed in 2011 and became effective in 2012.
- c) The Board has approved and adopted the following policies at the meeting that was held on December 19th, 2011:
 1. Code of Conduct
 2. Document Retention
 3. Payment Plans
 4. Inspection Copying Association Records

All the above polices have been posted to the White Bluff website for any Association member to review.

d) George then introduced the following individuals:

Mike Ward – Board Member

Fred Curran – Board Member

Clark Willingham – Board Member

Milt Bergman – Board Member

Larry Groppe – Board Member

Jeff Schmidt – Association Legal Counsel

Stack Bowers – VP – Hospitality for Double Diamond

Fred Molsen – White Bluff General Manager

3) Open Forum by attending Members - General

George opened the floor for any Association member to discuss any issue with the Board. Each Association member has four (4) minutes to speak. George stated that we would allow a maximum of twenty (20) minutes for this Open Forum.

At this time no Association member in attendance came forward.

4) Open Forum by attending Members – Agenda Items

George opened the floor for any Association member to discuss any of the Agenda items that will be discussed at today's meeting. Each Association member has four (4) minutes to speak. George stated that we would allow a maximum of twenty (20) minutes for this Open Forum.

At this time no Association member in attendance came forward.

NEW BUSINESS

5) Clark Willingham made a motion to ratify the action of the Board in holding a Special Meeting by

telephone conference call on Thursday, January 12th at 9:00 to waive the re-scheduling of the January 16th Board meeting. Larry Groppe seconded the motion and the motion passed.

6) Meeting minutes from the Special Meeting held by telephone conference call on January 12th, 2012. The

approval of these minutes will take place at the next scheduled Board meeting in April 2012.

7) Meeting minutes from December 19th, 2011. Mike Ward made a motion to approve the Board meeting

minutes from December 19th, 2011. Fred Curran seconded the motion and the motion passed. The minutes will be added to the web site.

8) Association Financial report – Fred Curran made the following comments:

- a. Still working on completing the December 2011 financials.
- b. Have made the scheduled \$300,000 in debt reduction for 2011.

At this time the floor was opened up for any questions. No questions were asked.

9) Funding of designated bank accounts. Larry Groppe made the following comments:

- a. Future road repair account has been funded the \$143,000 that was agreed upon.

- b. Future golf course improvements account has been funded by \$50,000 and will receive an additional \$50,000 by the next Board meeting. This will bring the total funded to the agreed upon \$100,000.

10) Advisory Committee report – Milt Bergman made the following comments:

- a. Greens committee has recommended replacing the New Course greens with Mini Verde.

Clark Willingham made a motion to replace the New Course greens with Mini Verde greens. Larry

Groppel seconded the motion. The following discussion then took place with regards to the above motion:

1. Double Diamond will pay half of the cost. The total cost to replace will be around \$220,000.
2. Shed for the tarps are not included in the \$220,000. Will submit this cost at a future meeting.
3. Work should be completed by Labor Day.
4. The greens committee will prepare a proposed schedule for Board review.

After discussion the motion passed.

11) Critical dates pertaining to the 2012 Annual meeting. Fred Curran suggested the following dates:

- a. Record date – 30 days prior to the meeting.
- b. Proxy date – 15 days prior to the meeting.
- c. Proxy Certification date – 10 days before the meeting.
- d. Annual meeting – May 19, 2012

Larry Groppel made the following motion that the following dates be used for this year's annual meeting:

Annual meeting date – 5/19/2012

Record date – 4/19/2012

Proxy date – 5/4/2012

Proxy Certification date – 5/9/2012

Clark Willingham seconded the motion and the motion passed.

12) Association legal matters – Jeff Schmidt made the following comments:

- a. Jeff stated that the Association is in compliance with the new laws surrounding property and home owner associations that were passed by the State of Texas last year.

- b. Have received clarification document from the Supreme Court of Texas with regards to the new laws pertaining to maintenance fee foreclosures. Jeff stated that his staff is currently reviewing this clarification document and will prepare any necessary documents to keep the Association in compliance with the new laws.

- 13) Verbal report of the Executive Session of the Board that was held earlier today. George Collins made the following comments:
 - a. No new actions were taken with regards to spending Association money.
 - b. With regards to the letter that was sent to Association members that suggested they send their maintenance fee payments to the court registry. The Association will be filing a motion against this action.

- 14) Next Board meeting will be held on April 16th, 2012.

- 15) Other business
 - a. Roads Committee – to provide up to \$1,000 for repairs to 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 as approved during the November 21st, 2011 meeting. Roads committee voted this down therefore, this expenditure will not be made.
 - b. D & O Insurance Policy covering the independent members of the Board. Was quoted a premium of \$10,000 that would provide a separate rider for 5.0 million for Association directors.
 - c. Mike Ward made a motion to authorize Jeff Schmidt to spend up to \$10,000 in premium to receive the extra 5.0 million in coverage. Fred Curran seconded the motion and the motion passed.

UNFINISHED BUSINESS

- 16) Engaging Weaver LLC to conduct the 2011 audit. George Collins made the following comments:
 - a. Still awaiting Weaver's decision.
 - b. Still hesitate in performing the audit due to the litigation surrounding the Association.
 - c. Advised Weaver to speak with the lawyers regarding the litigation.
 - d. Will give Weaver until the end of January 2012 to make a decision.

- e. At the end of January, Fred Curran will contact Weaver to get their answer and then will relate that answer to the Board.

17) Engage the services of an independent law firm to represent the Association. The Board tabled this issue from the December 19th, 2011 meeting. George Collins made the following comments:

- a. Need to find a firm that specializes in property owner issues.
- b. Find a firm on an As-Needed basis.
- c. More research still needs to be completed. Will report back to the Board at a later date.

18) Status of Ratification of Modifications to the WB Resort Program:

- a. This issue was tabled at the December 19th Board meeting.
- b. More work still needs to be completed.
- c. Larry Groppe made a motion to table this issue to a future Board meeting. Milt Bergman seconded and the motion passed.

There being no further business the meeting was adjourned at 1:53 p.m.

Kevin Shea – Assistant Secretary