

WHITE BLUFF POA BOARD MEETING
April 16, 2012

George Collins called the meeting to order on Monday, April 16, 2012 at 1:00 p.m. The meeting took place at the White Bluff Conference Center.

Attendees included: Milt Bergman, Fred Curran, Fred Molsen, Jonathon Hawkins, Kevin Shea, Larry Groppe and Clark Willingham. Mike Ward was not present.

INTRODUCTION

- 1) George Collins made the following remarks:
 - a) This is the second meeting of the Board since the new laws went into effect at the beginning of the year.
 - b) Lake Whitney has finally reached it normal lake level.
 - c) Board meetings will take place every quarter. The agenda for the meeting is posted 72 hours in advance.

- 2) Open Forum by attending Members to discuss any Association issues. The following members spoke:
 - a) Dale Wilkinson – Lot #927..048.
 - 1) Dale owns 3 lots and he feels he should receive comp golf rounds on all lots owned.
 - b) Jerry Gribble – Lot #910..66
 - 1) Jerry wanted to report that he is working with the General Manager (Fred Molsen) on restoring American flags.
 - 2) A flag ceremony to retire old American flags will be held on 4/21/12 at 2:00PM.
 - 4) Recycling Program – The following is Jerry’s update on the program.
 - a) Having trouble with the recycling of tin cans and glass.
 - b) Association can get our own container for recycling. The cost would be roughly \$4,000 - \$6,000. Jerry does not recommend this to the Board.
 - c) IESI will provide a container for the Association to rent monthly at \$60.00 per month. Jerry encouraged the Board to review this action.
 - c) Karen Williams – Lot # 924...11
 - 1) Karen would like the Board to consider a By-Law change on the meeting date and time for future Board meetings.

d) Brent Shipner – Lot # 914..19

- 1) Brent would like to make public the executive session agenda items and make these meetings open to the members.

UNFINISHED BUSINESS

- 1) Ratification of Modifications to the White Bluff Resort Program – this item was tabled until a future Board meeting.
- 2) D&O Insurance – Jonathan Hawkins
 - a) Have secured an additional 3.0 million in insurance for the Association Directors.
 - b) The added insurance will expire on 9/30/2012.
 - c) The premium cost was around \$6,000.
 - d) This will bring the total D&O insurance coverage to 6.0 million.

NEW BUSINESS

- 1) Fred Curran made a motion to approve the telephone Board meeting minutes of January 12, 2012. Milt seconded the motion and the motion passed. The minutes will be added to the website.
- 2) Milt Bergman made a motion to approve the Board meeting minutes of January 16, 2012. Fred seconded the motion and the motion passed. The minutes will be added to the website
- 3) Larry Groppe made a motion to approve the Boards Executive Session meeting minutes of January 16, 2012. Clark seconded and the motion passed. The minutes will be added to the website.
- 4) Review and discuss Association Financials – Fred Curran made the following comments
 - a) The latest financials are from Period 2.
 - b) The financials thru Period 2 are looking good.
 - c) Maintenance Fees are \$220,000 over budget.
 - d) G&A \$125,000 under budget mainly due to Road Repairs not done but have been budgeted.
 - e) NI – Actual: \$1,024,000, Budget: \$713,000.
 - f) Association is on schedule for debt repayment of \$300,000 for 2012.

Milt Bergman made a motion to approve the Association financials thru Period 2. Larry seconded and the motion passed.

5) Advisory Committee – Milt Bergman

a) Building Packet.

1. Milt went over the proposed revisions to WBPOA building packet that was previously distributed to the Board.
2. Clark made a motion to approve the revisions to the building packet. Larry seconded and the motion passed.

b) 2012 Budget changes.

1. Milt suggested a 2012 budget change to reflect the increase in security salaries.
2. Milt then made a motion to reflect the salary increases in the 2012 budget. Clark seconded and the motion passed.

c) Roads maintenance contract proposals.

1. The Roads Committee conducted a survey so that the committee could prioritize road repairs.
2. Milt then handed out the report on road repairs for the board to review.
3. The 2012 budget reflects \$433,000 for road repairs. Should be able to do 10-12 miles of repairs for this amount.
4. The Committee is still awaiting more bids to review.
5. Milt made a motion to proceed with the selection of a road contractor for White Bluff roads; expenditures not to exceed \$433,000; subject to review/recommendation of the Maintenance and Road committee; approval of the Advisory Committee and a special meeting (via phone) of the Association Board. Larry seconded the motion and the motion passed,

6) Foreclosure Policy – George stated that during the November 21, 2011 Board meeting, it was noted under Section 9 of the minutes that a foreclosure policy will be needed once the Supreme Court provides legal guidance. Therefore, George made the following motion:

- a. That effective immediately, the White Bluff Property Owners' Association adopts as its Foreclosure Policy those procedures and requirements set forth in the Supreme Court of Texas

Misc. Docket No. 11-9256 Final Approval of amendments to Texas Rules of Civil Procedure Rules 735 and 736. Larry seconded the motion and the motion passed.

- 7) Review and approve the New Course greens replacement – George stated that this will be discussed in Executive session.
- 8) Review critical dates pertaining to the Association’s Annual Meeting – Fred Curran
 - a. Record date is 4/19/12.
 - b. Proxy deadline is 5/4/12.
 - c. Proxy certification date is 5/9/12
 - d. At this point the Association is in compliance of the dates listed above.
- 9) Engagement of Weaver LLP for the 2011 Association Audit.
 - a. Fred made a motion to ratify the Board’s President to engage the firm of Weaver LLC at a price of \$15,000 to \$16,000 to conduct the 2011 POA audit. Milt seconded the motion and the motion passed.
- 10) Milt made a motion to adjourn the Board meeting so that the Board can move into an Executive session. Clark seconded and the motion passed.
- 11) Verbal report of Executive Session - George reconvened the Board meeting at 3:55 p.m. and the following comments:
 - a. Discussed engagement of the law firm of Williams and Riddle to render legal opinion.
 - b. Discussed status of Bridgewater case.
 - c. Discussed the financial impact of the legal cost of the Association.
 - d. Discussed Walkinshaw/Castillo case.
 - e. Discussed pro/cons of forming a City and converting WBPOA.
 - f. Discussed the engagement of Addison law firm to assist in the potential asset acquisition for Developer by WBPOA.
- 12) George made a motion to engage the law firm of Williams and Riddle to render a legal opinion on the indemnification of the Board members at a cost of \$12,000. Larry seconded the motion and the motion passed.
- 13) Clark made a motion that the Board makes the information available to the Association members regarding the formation of a city in Texas, but that after review the Board takes no further action regarding this issue at this time. Milt seconded and the motion passed.

14) Milt made a motion to engage the Addison law firm for a Phase 1 evaluation regarding the Association purchasing assets from the Developer. Cost for Phase 1 is 35,000 to 50,000; cost to be shared 50/50 between Developer and Association. Subject to a memo agreement of the fee between Developer and Association and the certification of no conflicts of interest between parties and Addison. Larry seconded the motion and the motion passed.

15) Clark made a motion to execute and accept the New Course greens replacement contract provided that the Depreciation schedule is changed to New Course Depreciation schedule. Fred seconded and the motion passed.

16) The next Board meeting will be scheduled for July 16, 2012.

OTHER BUSINESS

- a) A summary of today's minutes will be posted to the website until the official minutes can be approved at the next Board meeting.
- b) Cutting down Cedar trees – members can hand cut Cedar trees. Using a cutting machine is prohibited.

There being no further business the meeting was adjourned at 4:20

Kevin Shea, Assistant Secretary