

**WHITE BLUFF POA SPECIAL BOARD MEETING**  
**May 18, 2012 3:00 PM**

George Collins called the meeting to order on Friday, May 18, 2012 at 3:00 p.m. The meeting took place at the White Bluff Conference Center.

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

**INTRODUCTION**

- 1) George thanked all Association Members in attendance for attending the Board meeting.

**OPEN FORUMS**

- 2) Open forum discussion by attending members on any Association issue. No attending members came forward to speak.
- 3) Open forum discussion by attending members on any item on today's Board meeting agenda. No attending members came forward to speak.

**UNFINISHED BUSINESS**

- 1) Ratification of Modification to the White Bluff Resort Program – This issue was tabled until a future Board meeting.

**NEW BUSINESS**

- 2) Meeting minutes from the April 16, 2012 Board meeting – the approval of these minutes will take place at the July 16, 2012 Board meeting.
- 3) Meeting minutes for the April 16, 2012 Executive Session meeting – the approval of these minutes will take place at the July 16, 2012 Board meeting.
- 4) Meeting minutes from the Special meeting of the Board on May 4, 2012. Milt made a motion to approve these minutes. Fred seconded and the motion passed. Minutes will be included on the web site.
- 5) Association 2011 Audit - Fred went over the final draft of the audit and made the following comments:
  - a) Fred mentioned the prior period adjustment that was made in the audit to correct a past depreciation issue.
  - b) The Association was given an Unqualified (Clean) opinion from the auditors.
  - c) The scheduled debt repayments have been made for 2011.
  - d) The Association now shows a positive equity for the first time.
  - e) Fred also mentioned the additional charge of about \$50,000 that was not budgeted for water use. Stack stated that we are currently in negotiations with Brazos River Authority to increase

our acre water feet to avoid future additional charges for water. Currently have 1,000 acre per water feet and we are asking for an increase to 1,500 acres per water feet. This increase should be enough to avoid any additional charges going forward.

- f) Per Stack, Danny Holt, GC Superintendent, does monitor the watering of the golf course and reports this usage to the Brazos River Authority.
  - g) Fred also stated that \$49,000 in legal fees was accrued in the 2011 financials. This accrual was the result of what was stated on the legal confirmation letters that the auditors send to Association lawyers.
  - h) Fred mentioned the detail footnotes in the audit that relate to all the current litigation involving the Association.
  - i) Milt made a motion to approve the draft of the Association audited financials statement and related footnotes. Larry seconded and the motion passed.
- 6) Review comments received from proxies - George
- a) George went through the comments that will be discussed at the annual meeting.
  - b) Customer Service Department at Double Diamond does address individual comments made from any Association member.
- 7) Milt made a motion to adjourn the Board meeting so that the Board can move into an Executive Session. Fred seconded and the motion passed.
- 8) Verbal report of Executive Session – George made the following comments:
- a. Discussed opinion letter from Riddle and Williams.
  - b. Discussed status of Bridgewater case.
  - c. Discussed revising the copy cost of Association records to \$.10 per page. This keeps the Association in compliance with the new laws. The current adopted policy was \$.50 per page.
  - d. Discussed including current bios of the Associations Board of Directors on the web site.
  - e. Discussed issues related to Association legal defense costs.
  - f. Discussed Amenity Acquisition letter agreement with Addison Law Firm.

## OTHER BUSINESS

1. George made a motion to expand the number of directors from 6 to 9 and to form a new committee to recommend policy and procedures for implementation of the increased number of directors. Milt seconded the motion and the motion passes. Larry has agreed to head up the expansion committee.
2. George made a motion to revise the copy cost of the Association records to \$.10 per copy vs. the current adopted policy of \$.50 per copy. Clark seconded and the motion passed.
3. Clark made a motion to have the White Bluff web site include current bios of the Associations Board of Directors. Larry seconded and the motion passed.
4. Milt made a motion to have the current Association President (George Collins) executes the letter agreement with the Addison law firm with regards to the possible Association purchase of hospitality amenities. Clark seconded and the motion passed.
5. The next meeting of the Board will take place on Monday, July 16, 2012.

There being no further business the meeting was adjourned at 5:45 p.m.

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Kevin Shea, Assistant Secretary