

MEETING OF THE WHITE BLUFF POA BOARD OF DIRECTORS
July 15, 2013

CALL TO ORDER:

Milt Bergman, President, called the meeting to order on July 15, 2013 at 1:05 p.m. The meeting took place at the White Bluff Conference Center.

ATTENDANCE:

Attendees included: Board Members Clark Willingham, Fred Curran, Larry Groppe and Mike Ward, former Board Member Milt Bergman, Double Diamond employees Stack Bowers, Fred Molsen, Kevin Shea and Yvonne Banaszak (Minutes) WBPOA.

INTRODUCTION:

- 1) Welcome: Milt Bergman made the following remarks:
 - a) He thanked those in attendance for their continued support and interest in the White Bluff Property Owners Association. Agendas were handed to each attendee.
 - b) Milt Bergman introduced each member on the Board of Directors and Double Diamond employees.
- 2) Open Forum-Any Topic: Attending Members were invited to discuss any Association issues.
 - a) Gayle Heinen, 01246 Briar Court –Lots are not being kept up. She is requesting a thinning of cedar trees that cause a fire hazard. She stated this was discussed before.
 - 1) Milt Bergman said he would look into this.
 - b) Tom Larson, 27061 Stonewood – Stated that he and his wife enjoy living at White Bluff and the amenities. He feels that those who file lawsuits should just leave White Bluff.
 - 1) Milt Bergman asked Mr. Saturn if he would care to comment. Mr. Saturn stated his opinion.
 - c) John Weatherman, 32002 Dove Trail – Keep amenities open. Time has come.
 - 1) The Board responded that, “Cut backs are due to lawsuits and cuts made in out of state owners not paying \$150.00 for F&B Credits.

- d) Steve Short, 13003 Crestwood - Stated he would like Utilities to test and repair standpipes. The grass is high and the blue cap is hard to locate. Can Utilities weed around this?
 - 1) Fred Molsen explained POA is mowing and the standpipes are not checked on a regular basis by Utilities. Utilities are separate from POA.
 - 2) Milt Bergman said he would take a look.
- e) Jim McMahon, 21100 Trailwood Drive – Stated he is ¾ miles south of the nearest Emergency Siren and cannot hear the siren.
 - 1) Response to his concern; The County calls White Bluff First Responders, c/o Richard Zint after new installation. We did not get as good coverage from the new system as they thought it should have covered.

Open Forum-Agenda Topics: Attending Members were invited to discuss any topic on the agenda. No Members came forward.

UNFINISHED BUSINESS;

- 3) Approve Meeting Minutes, June 07, 2013.
 - a) Mike Ward made a motion to approve these minutes, seconded by Fred Curran. Motion approved.
- Approve Summary Meeting Minutes of Executive Session, June 07, 2013.
 - b) Larry Groppe made a motion to approve these minutes, seconded by Fred Curran. Motion approved.
 - c) Milt Bergman asked for opinions and options regarding the Annual Meeting lack of a Quorum for Officer Elections. The WBPOA Board can proceed in the opinion of outside attorneys as follows;

1. Four (4) member board; Mike Ward, Larry Groppe, Clark Willingham and Fred Curran
2. We can add Special advisors; Milt Bergman, Jim Duncan and James Osborne. Milt Bergman can continue as President.
3. Business and affairs of the WBPOA must continue and progress.

Opinions and options discussed;

1. To hold a Special Meeting would require a lot of extra money; without knowing if we would have a quorum.
2. We should hold off on having a special meeting until we hear from our Attorney by the 4th quarter on whether or not we have to have an election.
Action will be contingent on the lawyers' opinion.

d) Milt Bergman explained the Asset Transfer Project / Proposed Membership Structure with input from all Board Members as follows;

Draft a Blueprint of a proposed structure

1. Meet with Mike Ward and Stack Bowers
2. Assemble a committee with advice of Advisory Committee.
3. Stakeholders, Realtors to participate
4. Organize a Charter with the goal of transferring assets from Double Diamond to the Property Owner Association
5. Establish Officers terms and Voting
6. Analyze the returns to White Bluff
7. Contact CRBE/ Richard Ellis for the appraisal
8. Distribute information to Property Owners
9. Implement new structure by 2014

10. Small group meet with Mike Ward
11. Have a large committee with ideas and advice to Board of Directors, separate from Advisory Committee
12. Agreement of transfer, not purchase at the end of a set time
13. Voters majority and responses
14. Collate information and move forward with a draft
Mike Ward agreed on implementation by 2014.

Larry Groppe made a motion to finalize the documents for a draft, seconded by Clark Willingham Motion approved.

e) 3- 4 Tabled at this time

Milt Bergman discussed a possible claim against 2012 road contractor (Burroughs) stating the Advisory Committee reviewed and the money came out of the Roads Budget. A certified letter to the contractor was received but we have had no response from the contractor at this time.

NEW BUSINESS:

- 4) Reviewing most recent financial reports was delegated by Fred Curran to Fred Molsen and Kevin Shea.

Fred Molsen reported on the 4th quarter financial and budget variances.

- a) \$29,862 under plan in Maintenance Fee Income. Fred Curran noted we are under on funds held by the court reserve of \$12.5K. ACC fees, permits, and fines; \$5,167 over plan due to significant increase in residential construction.
\$21,545 under budget in payroll of which \$8,963 occurred in Period 5. This is split equally between Golf Maintenance and General Maintenance not being fully staffed.

\$8,791 under budget in Occupancy of which \$12,573 was in Electricity usage YTD equal to 2012 and \$4,467 over budget in Water due to prepaying the Brazos River Authority additional water contract for 2013 at a cost of \$18,750 was budgeted monthly.

G&A balances were reviewed and will be spent by the end of this year.

Kevin Shea reported \$192K was paid to the court registry. Current due or past professional fees equal \$213K, \$87K up on fees.

- b) Quarterly report from Fred Molson stated over budget by \$315K in legal, UMC collection fees and audits. UMC projected collection for June may have caused this to go over. Being prepared for fees may bring us over funds of \$155K with no road repairs.

Milt Bergman made a motion to approve the most recent financial statements. Clark Willingham seconded and the motion was approved.

- c) Web site maintained by WBPOA was tabled.
- d) D&O Insurance for Independent Directors and key WBPOA decision makers was tabled for the Executive Meeting.

OTHER BUSINESS

- 5) Milt Bergman discussed 2014 Budget Planning and receiving WBPOA budget prior to the October 21st scheduled meeting. Fred Curran stated the POA budget for 2014, received before the end of this year, would be based on history. Mike Ward recommended moving the October 21st meeting to November when the budget will be done. November 18th was discussed. Milt Bergman recommended a quarterly meeting to discuss and approve yearly budget. Larry Groppel recommended a November meeting to discuss and a December 12th meeting to confirm.

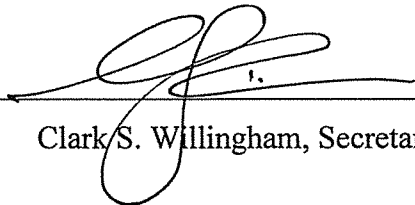
Larry Groppel made a motion to move the WBPOA Board of Directors October 21st meeting be moved to November 18th, seconded by Clark Willingham motion approved.

- 6) Recess for closed Executive Session topics:
 - a) Review confidential and privileged litigation issues
 - b) Review Riddle-Williams letter

Larry Groppe made a motion to recess to Executive Session at 2:25 p.m.
Clark Willingham seconded and the motion was approved.

- 7) Verbal report of Executive Session: Milt Bergman reconvened the Board meeting at 3:35 p.m. and presented the following verbal report:
 - a) The Board heard updates on pending lawsuits regarding litigation
 - b) The Board reviewed Riddle-Williams letter
 - c) No action was taken
- 8) Confirm schedule:
 - Next regularly scheduled meeting of the Board is November 18, 2013 at 1:00 p.m. in the Conference Center

There being no further business the meeting was adjourned at 3:52 p.m.



Clark S. Willingham, Secretary

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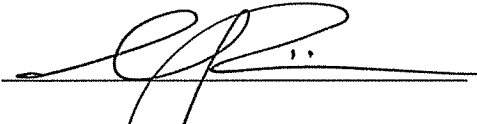
July 15, 2013

Executive Session

Milt Bergman called the meeting to order on Monday, July 15, 2013 at 2:35 p.m. Those in attendance were: Board Members Mike Ward, Clark Willingham, Fred Curran, and Larry Groppel, Double Diamond employees Stack Bowers, Kevin Shea, Fred Molsen, and Yvonne Banaszak (Minutes) WBPOA, Former Board Members George Collins, Don Fritz, Milt Bergman. Also, Jim Osborne. The location of the meeting was the Conference Center at White Bluff Resort.

- A. Milt Bergman opened to discuss D&O Insurance for Independent Directors. Mike Ward confirmed each separate BOD Member is on a rider at \$3M per occurrence.
- B. Milt Bergman discussed options and pending items with LLC.
- C. The Riddle-Williams letter concerning the Board options for continuing to operate since there was no quorum at the annual meeting was discussed.
- D. A Special BOD meeting by phone with an agenda may be announced 60 days in advance by Milt Bergman.

There being no further business the meeting was adjourned at 3:30 p.m.



Clark S. Willingham, Secretary