

**Summary of the
Special Called Meeting of the White Bluff POA Board of Directors
Prepared by: Jim Fletcher, Board Secretary
Invitees: Members of the WBPOA
Location: Conference Center- White Bluff Resort
Date: April 19, 2017**

Agenda

1. Call to Order

Leonard Critcher, White Bluff POA (WBPOA) Board President, called the meeting to order at 11:05 AM Central Time. Six board members were present: Leonard Critcher, Terry Newman, John Bass, Ron Roberts, Jim Fletcher and Wayne Findley.

2. Confirm Quorum

Leonard Critcher announced a quorum of board members in attendance.

3. Adjournment to Executive Session

a. Discussion of confidential litigation matters

The Board discussed ongoing litigation in the 66th District Court in Hill County and the Walkinshaw case in Dallas County. A conference call was conducted with the POA's two attorneys and the board.

b. The Board discussed matters related to personnel issues.

The closed session was adjourned at 12:50 PM and the Board took a short recess prior to the beginning of the open session of the meeting.

4. Reconvene Open Session

Open session was reconvened at 1:03 PM. Six board members were present: Leonard Critcher, Terry Newman, John Bass, Ron Roberts, Jim Fletcher and Wayne Findley. In addition, Pete Willding and Terry Bascher of FirstService Residential attended as representatives of the POA's management company.

5. Summary of Executive Session

Leonard Critcher presented a brief summary of items discussed in the executive session of the Board. Specifically, stated that the judge in the Hill County case (WBPOA vs. Double Diamond) granted the POA's motion for summary judgment

on all three issues on April 12, 2017. The following is a summary of the judge's ruling: (1) The POA is not obligated to maintain the White Bluff golf courses owned by Double Diamond; (2) the sixth amendment to the declarations for White Bluff is null and void; and (3) the developer failed to reserve declarancy rights in the filing of the original governing documents, and therefore has no authority to exercise declarancy rights. Mr. Critcher further explained that a motion for discovery in the Hill County case to force disclosure of documents and obtain depositions was filed by the POA attorney on 2/17/17.

With regard to the Walkinshaw case in Dallas, the POA filed separately from Double Diamond. Thus, the POA and Double Diamond will not be working together as this case moves forward.

6. Open Forum

Leonard Critcher informed attendees that the Board had decided that the Open Forum was limited to 4 minutes per speaker and a total of 20 minutes total. Attendees were allowed to make remarks and to ask the Board questions. No questions were presented to the Board during the open forum.

7. Mike McKibben, Hill County Appraisal District

- a. Remarks - Mr. McKibben stated that appraised property values in White Bluff have increased in compliance with state statutory requirements that properties be assessed at 100% of market value. Assessments are scrutinized by the State Controller's Office and must meet state statutory requirements.
- b. Questions and Answers (limited to 10 minutes) - Mr. McKibben was asked why the appraised value of the golf courses in White Bluff almost doubled in value for 2016 over 2014 and 2015 levels. He said that staff evaluated the value of the courses based on values of golf courses in similar settings in rural counties in and around Hill County. He mentioned that one of the courses reviewed for comparable value is located in Brown County. One audience member questioned the methodology applied to the golf courses. Specifically, private courses are appraised by different standards than public courses. Mr. McKibben responded by saying the White Bluff courses are public courses because persons other than White Bluff property owners play on those courses.

8. Agenda/Discussion Items

a. Water/Sewage Rate Increase Report - John Bass

John Bass explained that the White Bluff Rate Payers Group agreed to grant Double Diamond a 60 day extension for the re-filing of a revised rate increase application with the Texas Utilities Commission. As of April 19th, the revised application had not been filed. Mr. Bass explained that granting the extension for

the revised filing avoided new costs to the Rate Payers Group that would be incurred if a new rather than a revised application is filed by Double Diamond Utilities.

b. January Billings Report - Jim Fletcher

Billings for the January - June 2017 property maintenance fees were completed and mailed by FirstService Residential for 4437 individual property owners on March 27th. The billings for multiple property owners were mailed on April 6th. If a property owner finds an error in their billing statement, they should contact Amanda Opela in the White Bluff POA Office by calling 254-694-9276 or emailing her at admin@whitebluffpoa.com. All billings included two windshield stickers for each property owner, and additional stickers are available at the White Bluff POA Security Office at the resort entrance, or at the White Bluff POA office just across Highway FM 933 from the main resort entrance. All maintenance fees are due and payable no later than April 30th. Although automatic bank and credit card payment services for payment of fees were not available for the January - June 2017 billing cycle, they will be available through FirstService Residential for the July 2017 billing.

c. Roads Committee and Recommendations to the Board - Milt Bergman

Milt Bergman, chairman of the WBPOA Roads Committee began by reminding the audience that the Board of Directors approved funds to conduct a roads study as an item in the 2017 POA budget. Fourteen civil engineering firms received requests for proposals (RFPs) from the committee. Most either did not submit a proposal or withdrew their proposal after submission.

Phase 1 of the roads study will focus on developing standards for all White Bluff roads including surfacing, width, drainage, intersections, etc. Bear, Hampton, and Brown of Fort Worth was recommended by the Roads Committee to be awarded the contract for the study. Mr. Bergman said the study will begin within two months of a contract award and will be completed within two months of the commencement of work on the study. Jim Fletcher moved and Wayne Findley seconded a motion to award the contract to Bear, Hampton, and Brown. There was no discussion by board members on the motion, and the motion passed unanimously on a voice vote.

d. Nominating Committee Report - Terry Newman

Terry Newman served as chair of the Nominating Committee for the recruitment of property owners willing to serve on the Board of Directors. Mr. Newman emailed a request for volunteers to serve on the nominating committee to all property owners on the Constant Contact email list for the WBPOA (more than 4,400). Sixteen people volunteered for service on the committee and met three times during the nominee recruitment and selection process. The committee's

activities included solicitation nominations for the Board of Directors, collection and review of resumes, then evaluation and ranking nominees based on expertise related to board duties and responsibilities. A total of 16 nominees were evaluated and recommendations were presented to the Board. The Board will take the recommendations into consideration and make a decision on the candidates who will receive the proxies granted to the Board.

e. Possible Expansion of Lot Postings on the POA Website

Jim Fletcher stated that Linda Wilmarth, webmaster for the POA, reported a total 104 lots were posted for sale by individual property owners on the POA website as of April 19th. Leonard Critcher, Board President, stated that numerous requests have been received for the Board to expand the postings of individual properties for sale to include timeshares, golf memberships, condos, and homes. Jim Fletcher moved and Wayne Findley seconded to expand postings to these additional types of properties. The motion passed on voice vote without further discussion.

f. Transition Status - Pete Wilding, FirstService Residential

Pete Wilding of FirstService Residential submitted a management report to the Board of Directors. The report included a summary of administrative and maintenance updates including: (1) the POA employee orientation and transition to FirstService Residential; (2) acquisition of filed documents and plats from the Hill County Clerk's Office that are being used by FirstService to construct an up-to-date resident and property owners database; (3) progress on the POA inventory of assets and POA insurance coverage; (4) the relocation of ACC files and office supplies from the Double Diamond administrative offices to the new WBPOA office; (5) the installation of ADP payroll time stations for clocking POA employees in and out each workday; (6) progress on POA accounts payable and accounts receivable setup for vendor payments; (7) collection of proxies for the POA annual meeting; (8) POA debit card setup for petty cash expenditures; (9) POA billings and windshield stickers for property owners; (10) IT services bid for the POA office computers and tech support; (11) employment ads for open positions with the POA; (12) setup of resale certificates through the Dallas FSR office; (13) meeting between Pete Wilding and Milt Bergman on road repairs; and, (14) utilities transfer for water and electric meters.

g. Maintenance of Golf Courses - Procedure

The Board of Directors will reimburse Double Diamond in arrears for golf course maintenance expenses every two weeks. This reimbursement will be based on a detailed accounting of all individual expenditures including supporting receipts and documentation. This arrangement will end on May 18th, three days following the scheduled mediation on the issues in the pending

lawsuit (WBPOA vs. Double Diamond, Inc.) in the 66th District Court, Hill County, Texas.

h. Engagement Letter - Timothy, DeVolt & Company, CPAs

The Board was presented an engagement letter prepared by Timothy, DeVolt & Company, CPAs for the preparation of (1) the annual POA audit, and (2) the 2016 tax returns. Leonard Critcher pointed out that the annual audit will not be completed in time for the annual meeting due to the transition to a new management company and all of the issues that had to be resolved prior to selecting and engaging an independent CPA firm to conduct the audit. However, he assured all in attendance at the meeting that all property owners will be notified when the audit is completed and copies will be available. John Bass moved and Terry Newman seconded to engage Timothy, DeVolt & Company. The motion passed on voice vote.

i. Disputed POA Funds Account

Leonard Critcher reported that the segregated bank account containing the \$1.125 million in disputed POA funds has been established through Plains Capital Bank. No funds from the account can be released to the POA or to Double Diamond without signatures from two officials from the POA and two officials from Double Diamond, or by a judge's order. Double Diamond must provide written evidence of the alleged indebtedness of the POA to Double Diamond. The funds will be one topic addressed in the mediation session between the POA and Double Diamond on May 15th.

j. Phone Campaign for Proxies - Jim Fletcher

Jim Fletcher reported that a phone campaign to solicit proxies for voting in the May 20th meeting will begin within 5 days. He or another member of the board will be contacting those who volunteered to assist with the campaign to set up a time for training and scheduling calls.

9. Voting Rules for May 20, 2017 Annual Meeting - Jim Fletcher

Jim Fletcher read the voting rules for the May 20th annual meeting that were adopted by the POA Board of Directors. These will be posted on the POA website as well as sent out to property owners in an email blast.

Voting Rules for 05/20/2017 Annual Meeting

Proxies

All proxies must include the name of the property owner written or printed legibly and a signature by the owner or the owner's attorney-in-fact. Texas state law requires that all proxies must include a signature.

All proxies must include one of the following for each property owner submitting a proxy:

- (1) the section and lot number
- (2) the street address
- (3) the Hill County Central Appraisal District's parcel number
- (4) the account billing number for White Bluff

If an owner submits a proxy for at least one property that person owns, the proxy shall apply for all properties owned by that person.

All proxies must be submitted to the White Bluff Property Owners Association Board of Directors or FirstService Residential, the management company for the WBPOA, at least ten (10) business days prior to any meeting for which proxies will be used for voting.

Proxies must be received by 5:00 PM on Monday, May 8th.

Time Share (Interval) Owners

An individual Time Share Owner, aka Interval Owner, does not receive a vote. All Time Share Owners in any given, designated property may cast a single vote on behalf of all Time Share Owners so long as the WBPOA receives documented evidence ten (10) days prior to the meeting that the majority of the Time Share Owners have agreed in writing to allow a designated individual to cast their one, collective vote.

Golf Memberships

Persons owning Golf Memberships do not have a vote.

10. Affirmation of Authorizations for Establishing Bank Account and Credit Card Account

Leonard Critcher explained that a bank account and credit card clearing account are needed for WBPOA office staff to deposit cash as well as process credit card payments received for camping fees and other transactions made through the POA office. Fletcher moved and Bass seconded to authorize the setup of these accounts. The motion passed on voice vote.

11. Adjournment

The Board voted to adjourn the meeting at 2:29 PM.