

November 3, 2017

TO: White Bluff Property Owners
FROM: Your Board of Directors
Jim Fletcher, Secretary
RE: Minutes of the 10/23/2017 POA Board Meeting

The following minutes will also be posted on the POA website,
www.whitebluffpoa.com.

Minutes of the Meeting of the White Bluff POA Board of Directors

Location: Conference Center- White Bluff Resort, Lake Whitney, Texas
Date: October 23, 2017
Time: 9:30 AM

1. Call to Order

The meeting was called to order at 9:30 AM by Leonard Critcher, President of the Board of Directors. A quorum was confirmed with all nine board members present.

2. Adjournment into Executive Session

The meeting was adjourned to executive session to discuss confidential litigation issues.

3. Reconvene to Open Session

The Board reconvened to open session at 1:01 PM. All nine board members were present.

4. Summary of Executive Session - Leonard Critcher

- Roads Committee Briefing- Milt Bergman
The Board received a briefing from Roads Committee Chairman, Milt Bergman. The Board wanted to receive this briefing before Mr. Bergman's presentation in Open Session so board members had an opportunity to consider the information prior to Open Session.
- Rules Compliance- Mike Ellis
A report was planned for presentation in Open Session regarding recommendations from the Rules Compliance Liaison, Mike Ellis, and our management company, FSR. The Board discussed certain issues that were to be addressed in Open Session.
- Financials & Preliminary Budget Considerations- Jeff Williams
Personnel issues were discussed by the Board as members began preparation for open discussions of the WBPOA 2018 budget.

- Closing of the Resort by Mike Ward

The Board discussed the potential ramifications of Double Diamond's planned action to close amenities announced by the developer as well as appropriate ways to respond to these. The Board has repeatedly made it clear to Mike Ward and his counsel that we are willing to consider any reasonable, signed proposal from Mike Ward for the immediate transfer of White Bluff assets to the POA. The Board discussed specific parameters that members felt were (a) reasonable and legal, (b) to the benefit of our property owners, and (c) fair to the developer. The Board hopes that we can avoid the catastrophe that will negatively affect the lives of numerous families and individuals as well as devastate innocent Double Diamond employees. Closure will also obviously disrupt the great strides made by the Board, but this is paled by the real and tangible effect closure will have on people. Your Board will do anything it reasonably can to keep this personal tragedy from occurring. To that end we will reach out to Mike Ward and offer to begin immediate negotiations for the transfer of White Bluff assets to the POA.

The Litigation Committee, composed of VP John Bass, Secretary Jim Fletcher, and Board member Mike Ellis and Leonard Critcher, will spearhead this initial outreach effort. Hopefully, progress can be made toward resolution, and if so, the entire Board will participate in what we hope will be final negotiations leading to a signed transfer of assets under mutually acceptable terms.

One contingency issue was addressed during closed session. The Board assumes that if the resort amenities are closed by Mike Ward, the Conference Center (CC) will be a part of that closure. Marshall Snyder was asked to begin contingency planning by first ascertaining whether the CC would still be available if the resort amenities are closed. If not, Marshall will immediately begin a search for other acceptable venues that would accommodate any and all POs who want to attend future board meetings.

- Settlement of the Dallas Lawsuit (Walkinshaw Case)

The Board announced plans to ratify a settlement agreement in Open Session that would result in the Walkinshaw plaintiffs dismissing the POA and former board members, Milt Bergman, George Collins, Larry Groppe and Clark Willingham from the lawsuit. The agreement between the plaintiffs and the WBPOA stipulates that the provisions must remain confidential. Leonard Critcher explained that no monetary payment from the POA to the plaintiffs will be made and that the POA remains steadfast in its position that the POA had an obligation to maintain the golf courses under the Use & Maintenance Agreement, and extension thereof, between Double Diamond and the POA. Mr. Critcher pointed out the settlement of the lawsuit will relieve the POA of paying ongoing legal costs to defend the POA in this case as well as eliminate the possibility of a judgment for damages against the POA.

5. Open Forum

a. Discussion of Agenda Items

Property owners in attendance were given an opportunity to discuss agenda items. However, no property owners came forward to discuss any agenda item.

b. Questions for the Board

- One property owner expressed concern that any future changes in CC&Rs regarding homes in White Bluff should not affect existing homes. Existing homes should be "grandfathered".
- A property owner asked if a 2/3 vote of property owners that would be needed for changes to governing documents requiring a property owner vote would be approximately 4,000 votes. The actual number needed would be about 4,267 based on a total of 6,400 lots in White Bluff.
- One attendee pointed out that new property owners do not know what is going on in White Bluff. The Board responded by encouraging property owners to visit the POA website, sign up on the POA email list, and/or contact any board member. Contact information for each board member is available on the POA website.
- A property owner asked if the marina will remain open following Double Diamond's planned closure of amenities. Fred Molsen, General Manager in White Bluff for Double Diamond, responded that all Double Diamond facilities except the marina will close. The marina will remain open.
- An inquiry regarding offers on the amenities was presented by a property owner. Leonard Critcher referred to his summary regarding amenities and related negotiations from the executive session.
- A property owner expressed his concerns regarding the closure of Double Diamond amenities in White Bluff. The Board assured him that all reasonable efforts are being made to acquire the amenities and keep them open.
- One property owner inquired regarding temporary contingency plans regarding the closure of amenities. Leonard Critcher referred to his summary of the executive session regarding the Board's plans to negotiate for a possible a temporary solution to keep the amenities open.

6. Agenda/Discussion Items

a. Ratification of Legal Documents

Mike Ellis moved to sign the settlement agreement with the Rose-Walker Law Firm to settle the Walkinshaw Case. Jay Elder seconded the motion. The motion unanimously passed on a voice vote.

b. Financial Report - Jeff Williams.

Mr. Williams complimented Duane Dauphin, General Manager for the White Bluff POA, and Pete Willding, Regional Manager for FirstService Residential, for their work on the POA financials. Mr. Williams reported the POA had \$2.7 million in the bank at the end of September. He pointed out that some billings are being corrected and that property owners are continuing to pay maintenance fees for the July billing. He hopes to post the POA financials to the website within the next couple of weeks. The proposed 2018 budget for the POA will be presented at a later board meeting.

c. Rules Compliance - Mike Ellis

Mr. Ellis presented a summary of the steps in the progressive program for notification of property owners regarding CC&R violations and enforcement. He emphasized the main focus of the program is to gain compliance, thus contributing to making White Bluff great again.

d. Standing Committees - Jay Elder

Jay Elder, Board Liaison with the standing committees in White Bluff, reported that he has met with the committees and progress is continuing in the work of each committee.

e. POA Property Inventory - Roy Miller

Mr. Miller reported that an inventory of real property and equipment owned by the POA has been completed. He asked for volunteers to canvass each POA facility to assess what needs to be done to improve its appearance and function.

f. Water Report - Marshall Snyder

Mr. Snyder reported that Meadowmore Condos requested the POA permit its association to purchase non-potable water through the WBPOA to irrigate the landscaping for the condo association. The project is financially feasible and the condo association can recover the construction costs for piping required for the project through savings in water costs in 1.5 years.

g. Status of Community Center Land Purchase - Jim Fletcher

Mr. Fletcher reported the closing on the purchase will be completed as soon as the title company issues the title policy on the property. The title policy should be ready by the second week of November.

h. WB Rate Payers Report - John Bass

John Bass reported the hearing on the Double Diamond Utilities rate application would begin on Tuesday, October 24th. He explained the WBRP committee would like the Public Utility Commission to establish a base rate for water and sewer rates in White Bluff to serve as a starting point or basis for evaluating the merits of future rate applications, thus lowering the costs for contesting future applications for rate increases.

i. Roads Committee Report - Milt Bergman

Mr. Bergman presented a summary of the report on the Roads Improvement Project prepared by Baird, Hampton & Brown (BHB), the civil engineering company selected to prepare the study. Details of the report will be posted on the WBPOA website.

Roy Miller moved to endorse the report, and Jim Fletcher seconded. The Board voted unanimously to endorse the study.

An ad hoc committee was formed to develop strategies to pay for the \$11.9 million in estimated costs required to bring the 62 miles of roads in White Bluff up to recommended engineering standards. Members of the committee are Marshall Snyder, Jeff Williams, and Jim Fletcher. This ad hoc committee will work with the Roads Committee to prioritize projects and develop plans for maintaining the roads once they have been refurbished to engineering standards.

k. Construction of Boat Docks on White Bluff Lakes

Lakes in White Bluff are common property. The Architectural Control Committee (ACC) will address the issue of boat dock construction on these lakes.

l. Pickle Ball

Duane Dauphin, White Bluff POA GM, reported that the tennis court owned by the POA could be restriped for pickle ball at a nominal cost. John Bass moved and Jay Elder seconded to restripe the court. The motion passed unanimously on a voice vote.

7. Adjourn

The meeting was adjourned at 2:45 PM by Leonard Critcher, President.