

### SUMMARY OF THE OPEN B BOARD MEETING SEPTEMBER 21, 2010

(Jeanette apologizes for the late publication of the minutes. There was some discussion among the B Board members as to what should be published in the minutes. Some questioned if the minutes should be as comprehensive as they have been for the past four years. Once that issue was resolved, illness kept her from completing certain tasks. Now, she is back 110% and is ready to continue with her duties. Updates that have occurred since this Open B Board meeting was held will be noted so the reader will have current information on the issues concerning HLRA. Thank you for your patience.)

NOTE: This is an open meeting where agenda items are presented and explained to the property owners of Holly Lake Ranch (HLR.) Comments and questions from participants are summarized and discussed. The property owners may present additional agenda items during the Open Discussion segment of the meeting, if they make arrangements to get on the agenda. Clarification points to agenda items are noted in brackets. No action is taken at this meeting. Where necessary these agenda items will be brought before the Combined A & B Board meeting for discussion and action. B Board members present were Garland Ford, Vice President, Larry Bowman, Treasurer, Jeanette Sterner, Secretary and Jim Atchley. Rob James, the GM was present. Several department heads were also present.

Larry Bowman opened the meeting. The following items were presented by Rob James and discussed:

- I. Announcements. Rob had some comments he wanted to make before he started the regular agenda.
  - A. Rob said the A and B Board have a very good working relationship. Many issues have been discussed and he feels there is a mutual feeling that critical issues are being resolved in the most effective way possible.
  - B. Rob said he has received many, many positive calls congratulating him on purchasing more geese for the pond at golf hole number 12.
- II. Deer Update. The Texas Parks Wildlife Department (TPWD) gave a presentation of the findings and analysis of the surveys conducted in July and August to the A/B Board on September 9. Rob showed the slides presented by TPWD. Below are the main findings of the deer survey and the analysis.
  - A. The survey teams were assisted by TPWD. The number of deer surveyed was slightly down from the survey conducted a year ago, but the overall number of deer and the number of deer per acre still greatly exceeds the number recommended by TPWD so as to have a healthy deer population and to maintain the overall health of the habitat for all wildlife.
  - B. Rob showed some pictures of deer that look weak; ribs and hipbones are showing etc. TPWD said this was an indication that the deer do not have enough to eat from the natural habitat. This is another reason why they recommend thinning the herd.
  - C. Rob also showed some pictures that indicate how high the "browse line" has gotten because

the deer are eating vines, leaves, etc that are higher up on the trees. There were pictures of partially destroyed bushes, ivy and plants that deer usually do not eat. This indicates again that the deer do not have enough of the natural vegetation they need to sustain them.

D. TPWD reported again this year that the loss of vegetation would affect the other wildlife that we usually see at HLR. Homeowners have also reported not seeing as many birds and squirrels as they have in the past.

E. TPWD's summary report is the population density in the subdivision is higher than carrying capacity of the native vegetation. Herd should be reduced to prevent degradation of native vegetation. Fawn production is higher than average due to protected area within subdivision. There have been more reports of fawn deaths, deformed fawns, and fawns "dropped" early because the mother could not sustain the fawn through term. Overall the population will continue increasing if left unchecked. The increased population will not be able to support itself with the natural vegetation available.

F. When TPWD reported to the A/B Board meeting on September 9, 2010, the President of the Board made the following motion: "Since the general consensus of the Homeowners Board is to continue with the plan of action being to harvest the deer to control the population, the President appointed a committee composed of Class B Directors to carry out these actions. The President enabled the committee to begin this process and asked for approval for funding of \$37,500 through the Contingency Reserve." The motion passed unanimously. Rob said that fund was established for emergencies and the Board deemed this situation an "emergency" based on the reports and pictures submitted to the Board. The A Board did ask to review the contract with the Harvester, insurance for HLRA and SRI and contract with homeowners. The A Board made a commitment to pay half of the insurance cost. The four B Board committee members did proceed to begin the process of obtaining the required documentation to begin the harvesting procedure. Rob said a reputable contractor, who has references from several communities around the Texas and other states, was secured. The owner is also a biologist and is very familiar with the problems other communities have encountered with an over-population of deer. The contractor will harvest 200 deer this year and another 100 deer between January and March of 2011 (Hunting season is from October 2010 through March 2011.) Rob said that the harvesting should begin in October.

G. Greg Demko asked to speak on the Deer issue. He said he was on one of the night surveys and he noted that the count was down from last year. He thinks the deer are beautiful. He likes the idea that the browse line is up because he does not have to trim the trees himself. He has learned over time that most property owners feel that there is a real problem with the number of deer at HLR. So, he will put his own beliefs and feelings aside and will accept what the majority of the people want.

H. Someone asked the cost for the harvest. Rob said that the cost is \$125 per deer. That includes the whole process, from netting the deer to processing the deer for food and shipping the food to either a Texas State Prison or food bank. The contractor has those contracts with those institutions already in place. As was mentioned earlier, we are using \$37,500 from the Contingency Reserve Fund for the 2010 harvest.

I. Someone asked what number of deer did TPWD recommend we harvest. Rob said they recommended 330.

J. Someone said that there would be about the same number of deer that we harvest next year with the birth of fawns. So, he questions whether or not we are keeping up with the recommended number that needs to be harvested so as to make an impact on the deer

population. Rob said this would have to be an ongoing process if we are to have an impact on the over-population of deer. This is the intent of the Board, to harvest only the number of deer that will have a positive effect on the habitat. There will still be plenty of deer for people to enjoy. Someone asked if the Board plans on budgeting for a deer harvest in the future. Rob said that is the overall plan of action, to harvest a set number of deer and maintain a reasonable cost to the property owners.

K. Someone asked where are we trapping the deer. Rob said that he and the contractor are going to map out areas that would be best suited for trapping. Rob said most of the areas would be in "common land." However, some property owners have agreed to contract their land for trapping. Once the contractor has picked the best spots, Rob will make up contracts with individual property owners.

L. A homeowner thanked the Board for making a very difficult decision, which carries a lot of emotion. He feels the Board is doing the right thing by harvesting the deer and protecting the habitat and possible harm to persons or property. The audience applauded after his comments.

III. USGA Golf Course Progress. Rob reminded everyone that in March he began talking about a severe problem on the golf course, particular the greens. Clayton asked that he hire a professional from the USGA. The Board approved this action and certain recommended procedures have been enacted every since. The procedures affect everyday care of the fairways and greens and some are totally new ways of treating the course on a recommended time schedule. A few trees were cut down so as to allow more morning sunlight to reach the course. Most people did not even notice that some trees were missing, but they did notice the improved grass growth due to the better sun exposure. Root pruning has allowed more water to be absorbed by the grasses rather than most of the water going to the trees. This process does not have a negative impact on the trees. Rob thanked Clayton for being proactive on these problems and recommending a professional to help him diagnosis the continued problems on the greens. Rob feels the golfers are very pleased with the improvements they have seen this summer. The audience applauded Clayton for his efforts and the work of his staff.

IV. Lake Update. Several projects have been initiated or completed on our two main lakes.

A. Russell Thureau recommended Scott Brown. Russell has spoken with several professionals and felt the Scott was the best choice for our problems. Rob and Scott Brown went around the lake to review the problems on Lake Greenbriar. Scott said the brown growth is common for Texas lakes, but it is easily treated. Rob is going to budget \$6,000 for 2011. Scott will come out monthly, beginning this spring and spray the brown growth and that will kill it. He said you have to wait until the temperature reaches 65 degrees. That is when the growth will begin. What is out there now will die off this winter, so it would be a waste of money to spray now. Scott did say some green growth is advantageous to the lake. Nevertheless, he will examine the lakes monthly and inform Rob of the status of the lake and what actions need to be taken to keep our lakes pretty and good habitats for fish.

B. Rob said you might have noticed that Holly Lake was down for a while. Dave noticed a crack in the spillway of the dam. Dave called an engineer, who gave us some recommendations to fix the problem. While Dave was fixing that problem, he noticed another problem area and concreted that while the lake was low. He wanted to be sure that the area was secured and no other cracks would appear. Rob commended Dave for taking the extra time to insure the safety of the dam. Also, while the lake was down, Dave and his crew repaired the dock area, so the walkways used by fishermen are looking a lot better and are much safer.

C. In October, we are going to repair the Greenbriar Lake dock. Besides looking bad, it too is

not as safe to walk on. These are the types of jobs Dave's crew does when the weather gets too cool for paving roads.

D. Rob said that we collected \$33,000 of the \$35,000 needed for the Emergency Preparedness Plan, which is required by the State. This requirement is part of the Texas Environmental Quality Program began after Katria. If you recall, we mentioned this requirement last January and mentioned that a one-time assessment was requested of the property owners to pay for this plan.

E. A homeowner asked about the extensive growth of lily pads and other vegetation on the one arm of Lake Greenbriar. Another homeowner said that the growth is so bad that he cannot get his boat out of the dock. Rob said he would have Scott Brown look at this situation when he comes for one of his visits.

F. Russell Thureau thanked the Board for their efforts to keep the lakes beautiful and healthy for various species of fish. He feels that all the lakes are among our most frequently used amenities of HLR and it is important that we maintain their beauty.

V. Roads Update. Rob reported that we have spent \$196,000 of the amount budgeted for roads. The amount budgeted for 2010 is \$200,000, plus \$20,000 that was not used in 2009. The weather deteriorated more rapidly last fall and winter and Dave was not able to lay more asphalt or patch potholes due to either rainy conditions or too cold of weather for asphalt to adhere to the surface. The sporadic rains keep the roads from drying out long enough to lay asphalt. So, that \$20,000 was added to the \$200,000 budgeted for roads for 2010. The last major paving project to be completed this year is a section of Greenbriar. Dave said the cost of that project is approximately \$21,000. Other than Greenbriar, all major paving projects are complete. The crew will be working on patching and filling potholes. If you have a pothole that needs to be filled, please come by the office and fill out a request form. Dave picks those requests and prioritizes the jobs that are most urgent. NOTE: The written request is the most efficient method of getting the work order to Dave. He is already driving the property to see what roads need attention now or should be included in the projects for 2011. Someone asked about the completion of the project on Cimarron. Dave said that project as already be placed on his priority list for 2011. Rob commended the crew for getting the major paving jobs completed this summer when the heat and humidity were so high. The audience applauded the maintenance crew.

VI. Stable Update. Rob said we have this large stable that is not being used for much now that we do not have horses. It is slowly deteriorating and the Board is concerned about the condition of the stable. The Board is looking a various options as to how to use the stable. The roof is leaking, but no one is willing to repair the roof. The comments are that the roof is in too bad of shape simply to repair. The bid to put on a new roof is \$80,000. No decision has been made concerning what to do with the stable, but it is a point of concern.

VII. Minutes Discussion. Rob said there are a lot of rumors about the minutes of the various meetings and what items will be published. Rob commended Jeanette for a very time consuming job. The minutes are very thorough and complete. The audience applauded Jeanette for the minutes she publishes after the Open B Board meetings and the A/B Board meetings. As far as the A/B Board meetings, the President said he and his A Board members do not have time to review the minutes and the tape of the minutes. So, the President requested

that the minutes only include motions made during the meeting and how the members voted on the motions. The President mentioned that the minutes have been done various different ways over the years he has been President. There were years were they were very inclusive, as they are now, and there have been times when the minutes only reflected the motions made and the vote count. He would like for the minutes to return to recording only the motions and the vote count because of time constraints to read the minutes and listen to the tape. These will be the official minutes. The A/B Board also approved to allow the Secretary to write a "Summary of the Minutes," which can be more inclusive, but they would be published as a "Summary from Jeanette Sterner," not as the official minutes. The A/B Board at the next meeting will approve the official minutes. However, there have been times when there was no official A/B Board meeting during the usual month the Board meets. In this case, the official meeting minutes can be approved by phone. Questions that were asked include:

A. A question was asked if Jeanette would be able to publish the minutes of the A/B Board meetings as she has done in the past. Rob said yes she can, but they will be called a "Summary of the A/B Board Meeting Minutes." The lady said her main concern is the Open B Board Meeting Minutes because everyone cannot come to the Open B Board Meetings and she feels that comments need to be published in the paper. Someone said that people should come to the Open B Meetings if they want to know what is going on in the community. The lady said that because the meeting is in the middle of the afternoon on a weekday, it is not possible for most property owners to come to the meetings; therefore, the publishing of the minutes is very important so people can remain aware of the issues on HLR.

B. Someone asked if the A/B Board minutes and summary and the Open B Board minutes and summary are going to be posted on the HLR website. Rob said they were. The man said he had heard that the access to the minutes was going to be restricted by a code. Rob said that is correct. He is looking into having an access code that you can obtain in order to access the minutes and summary on the website. Rob said the Administration and the Board is not trying to be less transparent or less open to the property owners as to what is going on a HLR; the concern of some Board members is that certain information be made available only to HLR property owners. The people in Hawkins should not know some of the things that are going on at HLR. Rob said that we are not trying to hide anything, but we do want to protect the actions taking place at HLR.

C. Someone asked about the A Board's approval of the deer removal program. He wanted to know if that "bridge" had been crossed. Rob said that the A Board appointed a committee of B Board members, as stated in the By-laws, to make recommendations on how to proceed with the deer removal program. He asked what part of the burden of the program does the A Board bear. Rob said the A Board has agreed to pay half of the cost of the insurance. (See statements in Section II, F for further information on the A/B Board decisions and actions on this issue.)

VIII. Changing of Rules. Rob wanted to explain the difference in Subdivision Restrictions and Rules. Basically, rules could be changed daily, but that is not the intent of HLRA or the desire of the property owners. The property owners who live in that subdivision can only change the Subdivision Restrictions. A property owner of a subdivision can make a proposal, but the owners in that subdivision must vote to make a proposal a restriction for that subdivision. Each subdivision has that right. An example is that certain subdivisions wanted to require that a home had to be a certain number of square feet before it could be built. Another is the requirement to build on a concrete slab. Those proposals were voted on in the past and they stand as a

restriction for a certain subdivision. They cannot be changed without another vote of those property owners. Questions or comments from audience include:

A. A lady wanted to know why the Board decided to change the rule on signs just because of the Prayer Sign being placed on private property. The excessive and overbearing regulations are keeping the organizations of HLR from using signs and banners of their upcoming events because their sign or banner is not of the specific size that the Board said it must be. This is costly to the organizations that have already purchased signs and banners for their events. You also have affected those having garage sales. The Board could have limited the number of garage sales one can have in a year and eliminate those having garage sales almost every weekend. With that limitation, the rest of us could have enjoyed the opportunity to have a garage sale. Rob said that the rule requires you to obtain a permit to have an estate sale or garage sale. There is a refundable deposit for the use of the signs. HLRA had professionally made signs for property owners to use at no expense. Rob said these signs are recognized by Security, so they know the event has been approved. The lady said the point is that there was no issue concerning the garage sales and estate sales until the Board made an issue of the Prayer Signs. Rob said that many will agree that some of the handmade garage sale signs really looked bad and that change needed to happen. As far as the special event signs and banners, Rob said they need to be professionally made and approved by the Administration before the event. They can be posted 72 hours before the event and must be taken down immediately after the event. But what about the banner that the Veterans put out, which is larger than some of the size restrictions you have published. Rob said the party could come to the GM and Board to have such banners approved. He was asked if he would approve that size of banner. Rob said he has been given very flexible guidelines for him to follow when approving special functions and their banners.

B. A man asked if the banners advertising the Firefighters and Veterans' golf tournaments could only be up 72 hours prior to the event. Rob said that was correct. He asked what good was that to the fundraiser when the cutoff for signing up for a tournament is sometimes 48 hours before the event. How is that going to help these two organizations? Rob said that the Board did say that each one has to be approved on an individual basis. This is a generic rule. You can bring your request to the GM, who may take the request to the Board for approval. The banner can be approved. The man asked for clarification in that the GM can approve a banner that is over and beyond what is currently written in the rule for signs and banners. Rob said he can but that does not mean he has to approve the request. Again, the man said that he understands from what Rob is saying that there is latitude in that rule where you can approve a request for a banner that exceeds the original restrictions for a sign or banner. Rob said again that rules could be changed daily. The Board could say tomorrow that all signs are allowed. So, the answer to question is "yes," there is latitude. Rob said the rule is 72 hours. So, do not be thinking you can post the banner a month ahead unless you obtain approval.

C. Someone said there are signs around the property, so what actions are taking place. Rob said we are not going on your property to take the sign down. In fact, he received a complaint today and a written request to move the sign will be given to that property owner. Rob said the goal is not to make money by handing out citations. We do not want to give out tickets. The citations that have come before the Board to date have been for traffic violations. The person has 10 days to pay the citation. If they do not pay, they will lose their right to the amenities.

IX. Signage on the Ranch. Sven Sterner had two issues to bring before the Board.

A. First, the covenants we received when we bought property at HLR have a section on signs.

The language in this section refers to "for sale signs" and "for rent" signs without prior written approval by the developer. Now, that approval falls on the GM. The covenants have nothing to do with private signs we may want to put on our property. Again, the covenants refer to commercial signs. Therefore, we are allowed to put up school signs, Dallas Cowboys signs or any other private signs and not be in violation of the covenants of HLRA.

B. Second, Sven gave a copy of the Texas Statute that covers "property code." He referred to Title 11. Restrictive Covenants, Section 202.009. Regulation of Display of Political Signs. Sven read the following excerpts that cover properties such as HLRA. "A property owners' association may not enforce or adopt a restrictive covenant that prohibits a property owner from displaying on the owner's property one or more signs advertising a political candidate or ballot item for an election." The statute goes on to give the length of time the signs can be displayed. Rob said that Jeanette brought these documents to his attention and he did research this issue as well. Rob said that he would give these statute references to the Association lawyer. Sven said these references were received from the Cooke County DA, who was a County Judge in Tarrant County before moving to Gainesville. She has had similar issues with gated or otherwise private communities and HOAs similar to HLR. They have had to comply with the Texas Statute and allow "political speech" and campaign signs, which is protected by the First Amendment. Sven said he also spoke with Jim Wheeler, the Wood County DA. He too upholds the right of "political speech" in the form of campaign signs. He researched this topic when he initially ran for the DA position. Someone asked if there are any restrictions. Sven said restrictions are outlined in the statute, such as when they can be displayed, how many signs you can display, and when you have to take the signs down.

C. (NOTE: As mentioned above, since the summary of the minutes has been delayed, any current updates will be mentioned. As Rob mentioned on September 21, he did review the Texas Statute concerning "Political Signs" and the right to display such signs on the private property of Home Owners' Associations, with the HLRA lawyer. The lawyer advised that the HLRA should allow the property owners to display political signs according to the limitations listed in the Statute 202.009. If the HLRA decided to go to court and not comply with the Statute, he would be willing to defend the Association and his fee would be \$10,000. Rob said that at a meeting on Tuesday, October 5, he thought the three Board members present had agreed to accept the Texas Statute. Jeanette was out of town. Rob has since announced that two do not want to comply with the Texas Statute and not allow political signs. Larry Bowman is out of country, but his last communication was to comply with the Texas Statute. It is important to note that at the September 9th A/B Board Meeting, Larry and Jeanette voted for the motion that gave HLR property owners the right to have "political signs" at the A/B Board meeting. Jim and Garland voted against the motion. The President of the A/B Board stated that the A Board members would abstain during a vote on the issue of signs. The rationale understood was this is an issue that concerns HLR property owners, the GM and the B Board members; therefore, the A Board will not vote on such issues. The motion for the right to have political signs had 2 yeas, 2 nays, and 5 abstain. Since the controversy has arisen again, Rob did ask Wood County Judge his opinion and he advised that the HLRA comply with the Texas Statute because Section 202.009 does include communities of the size (no population size is indicated in this Statute) and type (HOA) as HLR. Rob said he would also speak with the Wood County DA on Monday, October 18. The decision as to what Security will do about political signs will be addressed at the B Board and GM meeting on October 19, 2010.

X. Dogs in the neighborhoods. Someone mentioned there have been some dogs running loose

in the neighborhood and wanted to know what was the procedure for controlling this problem. Rob explained the policy on capturing loose dogs and how they make every attempt to find the owners. He explained the procedure on what was done with dogs after capture.

XI. New ACC member. Dale Kelly is the newest member of the ACC committee.

No other questions or comments were made. A motion was made and seconded to adjourn. The motion passed. A copy of this summary of the minutes can be obtained in the HLRA Admin office during regular business hours. Catalog number for this summary is MinOpenBMeet09212010.

Summary Submitted by Jeanette L. Sterner, B Board Director