

MINUTES OF ANNUAL MEETING  
OF THE  
MEMBERSHIP  
OF  
TEMPLE WYNDHAM HILL HOMEOWNERS' ASSOCIATION, INC.

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The annual TEMPLE WYNDHAM HILL HOMEOWNERS' ASSOCIATION, INC. ("the Association") meeting of the membership was held at 6:00 pm February 19, 2009 at the offices of the Association, 7353 W. Adams Avenue, Temple, TX. Present were John C. Howe representing the Class "B" member, Omega Community Builders, Inc. and the Class "A" Members First Omega Partners, Ltd. (Omega) and by proxy, KAM Homebuilders, Ltd. (KAM). Also present were Class "A" members Mr. Ragsdale, Mr. Dycus, and Mr. Foster. Finally, John Mayo, acting Secretary/Treasurer for the Association was present and represented the proxies by Mr. & Mrs. Ramirez, and Mr. & Mrs. Morgan.

John C. Howe, President, called the meeting to order and presided during its deliberations. John Mayo acted as Secretary. Mayo certified that the meeting was duly convened in accordance with the terms of the by-laws of the Association and that the Class "A" and "B" members present constituted a quorum. The conditions for a quorum requires 10% of the current 31 Class "A" Members, be present. eighteen proxies had been received and three members were present during the meeting comprising 68% of the class "A" members. The second condition of the quorum requires 10% of the current 111 Class "B" Members. 100% were represented by proxy.

The President welcomed the members attending, at which time, each member present introduced themselves. He then stated that he was pleased at the number of members present and thanked them for their attendance.

A motion was made and carried to waive the reading of the minutes of the 2008 Annual meeting.

The President gave a brief assessment of the status of the Association, the subdivision and the local community. He stated that there was a soft market nationally in the housing industry and it has affected Bell County to a lesser extent. However, Bell County continues to see some positive signs of growth including the Scott & White Medical School, the Scott & White Bio-Sciences Center, Gulf States Toyota, Acer, HEB Distribution as well as Panda Energy. All of this should have a positive impact on Temple & Belton's housing market. He then stated the home values in the Central Texas area saw a 2% increase during 2008, and is expected to see a 2% decrease in 2009 showing relative stability in the area as compared to the downward home pricing trends being experienced nationally.

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The President stated that since the subdivision is still relatively small, the Association does not receive or notice many violations of deed restrictions. Concerns were raised by a member regarding the number of thefts occurring within the subdivision and individuals loitering in the area. Howe encouraged the development of a neighborhood watch program and encouraged all residents/members to call the police if any questionable activity is observed.

The President then gave a brief report on the construction in the subdivision, stating that there are six homes for sale and 76 lots still available for sale in the first phase. To date, 24 homes have been sold.

The President then reported on the potential trigger points surrounding the construction of the pool stating that a number of benchmarks must be hit prior to construction occurring:

- 1) Pool financing must reach a point where construction and/or financing is sustainable for the HOA. \$625 per home sale is deposit into a restricted account. Current account balance is approximately \$20K. Pool construction costs are expected to approach \$450K.
- 2) Must be enough members to sustain pool maintenance. Annual maintenance cost is expected to run approximately \$30K per year.
- 3) Feasibility study suggest that construction of a pool will not begin until there are approximately 220 members in the subdivision.
- 4) Timing is primarily market driven.

John Mayo, Secretary/Treasurer, then gave the financial report for the year. He indicated that the Association had 24 homeowners of which none were past due as of December 31. He then presented the financial statements for 2008 reflecting revenues in excess of expenses by over \$222 after a \$12,000 subsidy by the developer in the form of a commercial membership fee. He indicated that the Association has a cash balance of \$1,236, and had incurred not debt to date. Mayo noted that approximately 55% of the Association's operating expenses were attributable to repairs and maintenance with the significant majority going towards lawn care.

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Mayo informed the Association, that after contributing \$6K in 2007 and \$12K in 2008, the developer has indicated that the Association would need to find an alternative source of financing its current operations during 2009. Mayo indicated that it is not uncommon for a HOA to incur debt during its formative years until the subdivision builds out. Mayo indicated that the Association has secured note financing through an investment group at a proposed rate of 5% per annum to cover its 2009 later operating requirements. A motion was made and carried to accept the financial statements as presented and to move forward with the financing of the HOA's ongoing operational needs with a note.

The Treasurer then presented the budget for 2009. The budget under the current due structure (\$160 / Member) did not include any subsidy by the developer and reflected a deficit for the year exceeding \$10,000. Mayo noted that the deficit would be covered by the note.

A motion was made and carried to accept the 2009 budgeted financial statement reflecting the \$10K deficit as presented.

The President then indicated that it was time to nominate three Directors for the ensuing year. The following directors were nominated. A motion was made and carried. The directors elected are:

John C. Howe  
James I. Howe  
John B. Mayo

There being no further business, the meeting was adjourned.



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John Mayo, Secretary/Treasurer