

ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES

September 20, 2017

A regularly scheduled meeting of the Board of Directors of the Rockport Country Club Members Association was held at the offices of Johnson & Creekmore in Rockport, Texas.

PRESENT: Jon Heffron-President, John Wheeler-First Vice President, Ric Young, Tiffanie Hoover, Mike Couvillion, Chet Cloudt, Charles Giesey, Herb Sutter and Ric Young by telephone.

Not attending: Stan Davis – Secretary/Treasurer

Also in attendance: Mike Johnson, James Creekmore, and the General Manager - Rick DeLoach.

The President convened the meeting at 9:10 AM.

GUESTS: The following guests from Greenspan Adjusters International attending for the first part of the meeting: Kenneth Crown, Masood Kahn and Jenny Schultz. There were no other guests attending the meeting.

President Heffron took the minutes of the meeting.

Approval of Minutes: Minutes of August 16, 2017 and September 8, 2017 were approved with no changes.

Member Correspondence: Rick reported that all correspondence related to the storm and our recovery efforts.

Public Adjuster Engagement: Jon introduced the representatives of Greenspan Adjusters International. He reviewed the role that public adjusters play in assisting insured's, such as RCC, in successfully making claims for recovery under insured's insurance policies. He reviewed Greenspan's qualifications and experience and track record of outstanding results. He and Rick determined late last week, after consulting with Mike Johnson, to engage Greenspan under the delegation of authority granted to them by the Board, in view of the complexity of our claims, the work effort involved, and the value that Greenspan would bring to RCC as an insured. The Greenspan guests reviewed their background and experience and described Greenspan's qualifications and success in representing insured's, including country and golf clubs, and some of their efforts over the past several days representing RCC. Greenspan was thanked and excused from the meeting. Jon described the commission based financial arrangements negotiated with Greenspan. After discussion, the board ratified the Greenspan engagement.

Treasurer's Report/Finance Report: Mike explained that the club had not been able to close the books for August yet and no financial reports to review. He did discuss the club's cash position, receivables and payables and stated his belief that the club should have somewhere in the range of \$475,000 in its bank accounts at the end of August and approximately \$275,000 - \$300,000 as of the date of the meeting. Rick presented an operating expense forecast post storm. He also discussed September statements and the fact that they will be mailed in a day or two. Jon reported that Greenspan had requested a \$1,000,000 advance from the insurance company.

Storm Recovery Status Report and Update: Jon and Rick presented and Board actions taken:

- Jon and Rick considered several mitigation GC's and engaged KUSTOM US, a preferred provider on the insurance company's preferred provider list. After Board discussion, the Board ratified the engagement.
- Clubhouse, STF, and Maintenance Building mitigation update and preliminary assessment was presented and discussed.
- The insurance company's consulting engineer assessment (RIMKUS) is that all club buildings are structurally sound after the storm and that he would be issuing a written report, including structural repair recommendations, in a couple of weeks.
- Temporary trailer lease agreements with Williams Scotsman was presented by Rick and following discussion were ratified by the Board.
- Rick reported that much of the golf course was now being irrigated, but that irrigation line leaks and breaks were still being discovered and repaired and that our RF control system was still down. We are assessing the damage and starting repairs. The pump house is working, but we have not completed repairs to the wastewater treatment facility electric panel (parts have been ordered). Hopefully, we should be receiving effluent water from the City sometime early next week.
- Jon and Rick described the efforts they and our staff have undertaken regarding tree removal from the course and the cart paths. The task is significant and complex. There are a number of matters that we cannot receive definitive direction on from the county and the city. Plus, we have limited access and egress for equipment. Further complicating the matter is that the insurance companies have not confirmed that the club will receive insurance coverage for the cost of the undertaking. After much effort, we have identified a contractor who we believe can get the job done. After Rick and Jon reviewed the contractual arrangements with Schley Fence, LLC from Cuero, Texas, and discussion by the Board, Jon and Rick were specifically authorized to negotiate and finalize a contract or contracts with Schley Fence or others.
- Rick discussed the condition of the golf course grounds, the status of repairs, and current maintenance plans and practices.
- Rick discussed the status of the swimming pool, noting that the club's pool service contractor passed away about a week after the storm. A new pool service contractor has been identified and remediation work should start in the next few days.
- Jon identified three architectural/design firms to provide services to the club in the rebuild of facilities (ClubDesign, Kirksey, and Gensler). Qualification packages and proposals will be submitted by all three firms. MEP service providers will be identified later. It was noted that the board had already met with one of the firms and that Rick had previous project experience working with them (ClubDesign). After discussion by the board, Jon and Rick were specifically authorized to negotiate and finalize contracts with any one of the three firms under consideration.
- Jon discussed various insurance company matters and noted that a claim has been made on The Philadelphia Insurance Company policy for damages caused to the golf course grounds. Greenspan will be representing the club in connection with the claim.
- Rick discussed the fact that taxes and benefit withholding from all employees' August month end paychecks were not withheld and that hourly employee's hours worked were estimated, both due to the unavailability of systems to make the necessary calculations. He

noted that salaried employees' taxes and benefits for the last payroll in August were deducted from the first September payroll and that the Employee Relief Fund committee (Jon, Rick, and John Wheeler) made the decision to apply money paid into the fund to the hourly employees' obligation to pay the taxes on the last payroll in August. This is a direct benefit to the employees affected, otherwise many of them would have received very small paychecks.

Committee Reports: The directors discussed the necessity of conducting regularly scheduled committee meetings in view of the storm and recovery efforts. After discussion, the Board agreed that the scheduling of committee meetings would be left to the discretion of each committee chair. Further along the recovery process, various committees will start to meet regularly.

Old and New Business: The directors discussed future board meeting dates and the status of old and new business. The Board agreed to convene regularly scheduled meetings with Jon noting that special meetings may become necessary. The following items will be left on the agenda for future board discussion and determination.

- Review and Updates to Rules & Regulations
- Amendment to Seasonal/Temporary Golf and Associate Membership Programs
- Amendment to Articles of Incorporation re: Status of Cash Surplus in the Event of Sale or Liquidation
- Amendment to Articles of Incorporation re: Status of Club as Private Non-Profit Organization to Semi-Private For Profit organization

The meeting was adjourned at 10:10 AM.