

HIGHLANDS PROPERTY OWNERS' ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS
MAY 17, 2025

An Annual Meeting of the Property Owners ("Members") of the Highlands Property Owners' Association, Inc. (the "Association") was held at 42089 Crooked Stick DR, Whitney, Texas, on Saturday, May 17, 2025 at 2:45 pm. The meeting location was changed from the outdoor Highlands Pavilion due to inclement weather. Members of the Association were properly notified of this meeting and were invited to attend. The agenda for this meeting is attached to these minutes.

Gerry Mayer, President and Director of the Association, called the meeting to order at 2:45 pm. by welcoming all Members in attendance.

Mr. Mayer then called on Mr. Pollard to report on the Declaration of Quorum. Mr. Pollard reported that a quorum did not exist. The Association's bylaws require 25% of the eligible lots, which equals 74 lots, to be represented in person or by proxy in order to establish a quorum. Despite reasonable efforts to solicit enough proxies to meet the quorum, less than 30 proxies were obtained. As a result, no matters may be submitted for the vote of members at this meeting. But since the agenda for this meeting did not include any items for vote by members, the agenda will be followed, as presented.

Mr. Mayer acknowledged the other Board members present at the meeting, Michael Pollard and Brad Branstetter. Mr. Branstetter was elected as a director at the Special Meeting of the Board of Directors held immediately prior to this meeting. Each of the terms of Mr. Mayer, Mr. Pollard, and Mr. Branstetter will expire in May 2026.

Next, Mr. Pollard presented the financial reports of the Association for the year ended December 31, 2024, consisting of the Balance Sheet and Profit and Loss. Associa served as the Association's financial manager for the first four months of 2024, and Mr. Pollard served in that capacity for the last eight months following the termination of the financial services agreement with Associa. Specifically, Mr. Pollard commented on the following:

- The Association had \$67,939 of cash at December 31, 2024. Of that amount, \$29,912 was designated to our Capital Reserve fund to be used to cover big ticket expenditures like the pool pumps and pool gate controller, leaving just over \$38,000 for operating cash.
- Debt to Double Diamond Inc as of December 31, 2024 was \$34,441. After the May 2025 annual note payment, the current balance is \$26,450. This note matures on May 1, 2028.

- No interim 2025 financial statements are available from Castle Group, the current financial manager. However, preliminary reports indicate that approximately \$36,000 of the \$60,000 in annual billings for 2025 has been collected thus far.
- The transition to Castle has been extremely difficult and disappointing, but the Board remains optimistic that these issues will be resolved within the next few months.

Mr. Mayer then led a question/answer time open to all Members in attendance.

The meeting was adjourned at 3:15 pm.