

MINUTES OF MEETING
OF THE
BARTON CREEK LAKESIDE MASTER
PROPERTY OWNERS ASSOCIATION, INC.
HELD
FEBRUARY 23, 2005

A Meeting of the Board of Directors of the Barton Creek Lakeside Master Property Owners Association, Inc., (the "POA") commenced at 8:00 A.M., Central time on Wednesday, February 23, 2005, in the Barton Creek Lakeside Clubhouse, Spicewood, Texas.

The following members of the Board were present:

Joe Cutrer
Bobby Day
Charles Evans
Bob McQuay
Karl Stewart
Paul Sullivan

Absent was Mr. Gary Childress. Also invited to join the meeting was Mr. Paul Motheral. Mr. Evans acted as Chairman of this meeting and Mr. Stewart acted as Secretary.

The first item of business was the approval of the minutes for the February 11, 2005 meeting of the Board of Directors of the POA (material which was distributed at the meeting). Upon review and discussion, these minutes were approved.

Next, the Board reviewed a letter to be provided to Mr. Motheral (Chairman of the Board's Committee on Road Repairs), concerning the Board's understanding of his role in the planning, commission and execution of the paving/street repair project currently being undertaken by the Board in this subdivision (a copy of which was distributed at the meeting). Following review and discussion, the Board approved this letter and authorized the Chairman to execute it and deliver it to Mr. Motheral.

The Chairman then discussed the upcoming rate hearing involving AquaTex, and what role, or representation, if any, this Board of Directors should have in that hearing. After discussion, the Board indicated that it would take a "wait and see" position regarding this matter; and Mr. Byron Zinn would attend the hearing and report back to this Board at a later meeting.

At the Chairman's request, Mr. Cutrer presented a report on the funds collected to date re street and dues assessments; and further efforts being undertaken for collection of those who have not paid. In this connection, Mr. Day indicated that he would pay half of the assessments due on the lots he owns next week; and would pay the remaining half in

a very short time thereafter. Mr. Day further indicated that the monies owed by Sunday Homes would also be paid in the very near future. With these payments, Mr. Cutrer indicated that we would have approximately \$410,000 collected. A second billing will go out next week (followed by phone calls) to hasten the collection of the remaining monies not paid. Mr. Cutrer noted that CCA has paid their dues of \$20,000 and thanked Mr. Pate for his help in obtaining this payment.

Mr. Cutrer also reported on the progress in obtaining a \$75,000 line of credit at the bank (which was authorized by this Board at its February 11, 2005 meeting). Mr. Cutrer indicated that the bank's loan committee has authorized this line of credit, and the Board authorized the Chairman, in his capacity as President of the POA, to sign the necessary documents required for this line of credit.

Mr. Motheral then presented and discussed several peripheral issues concerning the Road repair/paving project in order to implement and conclude this project. The first item was the engineering report of the Pavement Evaluation/Analysis prepared for the Uplands Home Owners Association (a copy of which Mr. Motheral obtained from that Association's Engineer) which details the use of one of the paving processes similar to that under consideration by the Board for our subdivision. This report was for the Board's information, and will be retained with the Board's minutes of this meeting.

The next item concerns the payment by the POA of sales tax in conjunction with this project. Mr. Motheral indicates that such sales tax may not be required to be paid by an association such as our POA. Following discussion, the Board authorized the Chairman to further explore/analyze this matter and report back to the Board at a later meeting.

At this time, Mr. Motheral presented a detailed report regarding the final two bids he has received for the paving project. Copies of these bids were submitted to the Board and discussed in great detail. Mr. Motheral presented the pros/cons of the work to be done, and the overall cost to complete. Mr. Motheral also delivered a copy of a bid to Mr. Terry Pate, applicable to CCA's property for repairs and repaving. Mr. Pate indicated that he would review this with CCA and report back to the Board at a later meeting.

Mr. Motheral's reports included the order of priority of the work to be undertaken, the costs associated with each phase, and the various options available to the Board regarding such repairs and the scope of work to be performed.

Following this report, Mr. Motheral responded to questions/comments by the Board. In conclusion, Mr. Motheral proposed approving the bid by Wheeler Coating Company and Viking Construction, Inc., (copies of both bids are retained with the minutes of this meeting). Upon completion of this discussion and upon motion duly made and seconded, the Board unanimously approved the Wheeler and Viking bids, and authorized Mr. Motheral to proceed with the project in a timely manner. The total cost of completion of this project was estimated to be approximately \$454,000. Mr. Motheral

indicated that he would keep the Board informed of the progress of this project on an on-going basis.

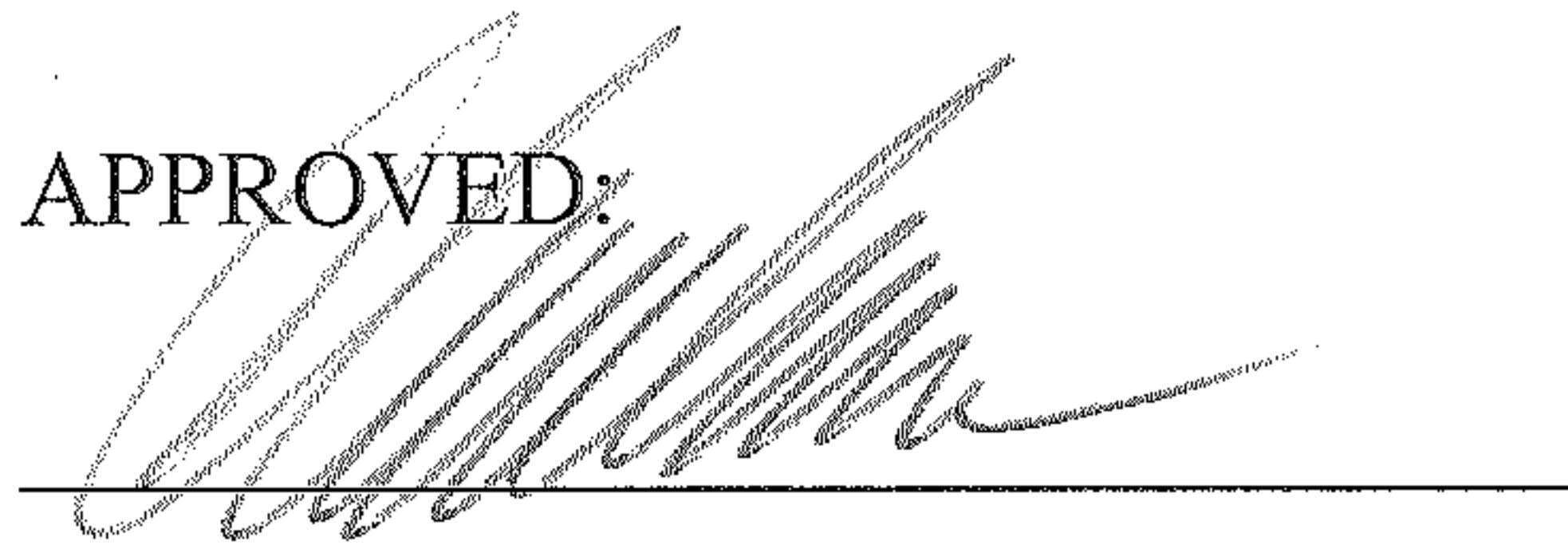
In conclusion of this meeting, Mr. Day presented an update to the Board of recent changes to his real estate office that are currently being implemented to improve the function of that office, including the addition of another full-time real estate agent in the office.

There being no further business to come before this meeting, the same was duly adjourned.



Secretary

APPROVED:



Chairman