

TRANSMITTAL LETTER VIA EMAIL OF JANUARY 7TH, 2010

Dear PPOA Board Candidates:

First, let us congratulate each of you on your willingness to run for and serve on the PPOA Board of Directors.

In the spirit of open communication, we have 16 questions (some multifaceted) shown below that we would like to ask each of you to briefly respond to. So that more people can learn where each of you stands on these key issues, we will be consolidating each of your responses, along with this letter of request, into a single Q&A for distribution to our membership. Your responses to the questions will not be altered, and will be reproduced EXACTLY as you submit them (within the ground rules stated below); with your individual responses clearly identified in alphabetical order. This will provide you with yet another venue to efficiently get your viewpoints out to a large number of members. Your participation is greatly appreciated. As ground rules, please note that any personal attacks on members, potentially slanderous or defamatory statements or profanity will, of course, not be acceptable. We ask that you please stay on the issues. Bev Hayes, being both a PPCMA Advisory Council Member and Candidate for the PPOA Board has recused herself from involvement in this process as a PPCMA Advisory Council Member.

So that we may get all the responses pulled together and disseminated in a meaningful time frame, we ask that you have your responses back to us via email by January 28th. PPCMA will then compile and distribute the consolidated Q&A. We will, of course, copy the participants so that you may also see where the other candidates come down on these critical PPOA issues.

Again, thanks for your willingness to serve and represent the community, and your participation in this process.

Sincerely,

PPCMA Advisory Council

Jim Allen
Kate Dodd
John Gehring
Steve Haines
Ray Stallings
Dan White

2010 PPOA Board Candidate Questionnaire

1. Given the ongoing global economic downturn, PPOA resources and growth are now challenged. How would you suggest PPOA address current external economic factors as they relate to ongoing profitability? What, if any, specific steps would you suggest to improve PPOA's overall financial performance without raising monthly assessments?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: The national economic downturn has definitely reached into the pockets of the Pecan members, whether by reduced retirement or investment funds, the loss of a job, frozen or reduced salaries, loss of bonuses, loss of their 401-K match or significantly increased healthcare costs. Members on Social Security will not receive a cost of living increase for two years. Read the papers and listen to the news – companies are closing, foreclosures and unemployment are near all time highs. Many members have had to reduce or eliminate discretionary spending in their personal lives. PPOA should be more cognizant of the personal financial plights of many of our members by also reducing its discretionary spending in tough times.

Yet, in 2009, the BOD and management, in most ways, continued to operate as though PPOA was immune to the economic problems and to the sacrifices its members faced, these same members who pay the bills for Pecan. With the exception of freezing salaries (after much wrangling), then reducing security (which members identify as the most important amenity) and grounds maintenance (so our common grounds were unattractive), it was pretty much business as usual, including the recent paying of substantial year-end bonuses, the maximum allowable 401-K match, approving a \$65,000 out-of-budget expense for deer removal, etc.

During the 2010 budget presentations to the Finance Committee, there was more than \$100,000 of low-hanging fruit identified (such as bonus, travel and education expense for management, reducing the 401-K match) which could have easily been changed without major impact on the organization – but that did not happen. There were many others areas which could have been “scrubbed” for additional savings. Through continued discussions, we finally got some costs savings such as early negotiations of the electricity contract, printing cost savings on the Columns (which were driven by a Pecan member) and a nominal redesign of the employee health care plan. For the first time ever, the 2010 budget was prepared with line items and the finalized budget was made

available on line for members. We must continue with similar positive changes while keeping a watchful eye on what is happening in the economy.

I would like to think that publication of my initial report, as well as my continual persistence, had some degree of influence on raising awareness of some of the problems I identified, ultimately resulting in the implementation of some positive changes.

In the 2011 budget process, PPOA should implement a zero-based budgeting procedure to eliminate any possible fluff in the budget while ensuring that expenditures are in concert with the majority of members' (not the BOD or management) desires and expectations. Until we are able to realistically broaden our revenue stream, our main source of income is the member assessments and we must be thoughtful about how we spend their money.

Additionally, we need to protect our capital reserves. In each budget, we see large expenditures from these reserves. What happens if there is a real emergency? This reserve seems to burn a hole in our pocket – just because we have it, does not mean we have to spend it - cash is king

Chester Howard: As a first order of business, Pecan residents must be satisfied that we are operating our business as efficiently as is possible. We can best do that by opening up the Management process to the membership and availing ourselves of the expertise that exists within our community for audit and comments. We should assure ourselves that we are providing adequate but not bloated salaries and benefits, and that we have streamlined our Organization to minimize expenses. We should develop long range plans both capital and expense with minimum - NOT maximum - spending plans based upon future growth expectations. Additionally, all amenities should be reviewed from a cost basis and communicated to PPOA members while soliciting opinions as to changes, if warranted and supported by the Community.

Bob Kent: The Board has the responsibility to manage the organization to protect home owners' investments including the common assets of the PPOA during both good and bad economic times. Based on my review of past financial statements, budgets, and discussion with long-time residents, it is my opinion that we have not done an adequate job of Financial Planning. For instance, it appears that we have put nothing away for a "rainy day" account and we have used new member fees, (both resale and new home sales) for daily operations. Some if not most of this money should have been placed in reserves for asset maintenance, new amenities, or for times such as we are now experiencing. In addition, we frequently make expenditures that are not in the budget. One example is

the PAC. We accepted this amenity but there were no provisions made for the annual cost of operating the facility from the monthly assessments. We recently approved expenditure for deer removal, but there was nothing in the budget for this action. These actions should have been researched and delayed and put to a member vote. We need a long-range financial plan coupled with an Asset Reserve Analysis in order to develop valid budgets. The plan should consider both growth and no growth scenarios. Once this is completed we need to undertake budget planning with the idea that we are going to live on our monthly assessments with some one time use of new member fees if necessary. I would like to think we could manage Pecan and maintain all of our amenities without an increase in fees. I can only say that I would prefer that my fees do not increase unless other options have been thoroughly investigated. To get through poor economic periods, most businesses implement some type of cost control, including improving efficiency, reduction in staff, reviewing purchasing procedures, limiting salaries and/or benefits and in our case, if necessary, a reduction in services

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

2. What are Pecan's top five (prioritized) areas for improvement? Why?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: *Security* – This is the number one amenity (some members even call this a necessity) for most members. The desire to feel safe and secure in our homes and neighborhoods is one of the main reasons why we buy property and homes in Pecan. That feeling has greatly eroded in the last year (especially after security positions were eliminated as part of the budget cutback) and we have been regularly besieged by vandalism, theft and continual property destruction, both from individuals who live outside Pecan and individuals who live inside Pecan.

One of the most positive actions which came out of the 2010 budget was the reinstatement of security and grounds positions, plus some limited nighttime coverage from the Hood County Sheriff's department. We don't really have security here, we have safety enforcement. And, while these employees work hard to do a good job, they are not trained or authorized to detain, interrogate or arrest. Only the sheriff's deputies can do that and this is why we desperately need them covering the night hours.

Security as a whole needs to be reevaluated and revamped (including gate coverage) so we can fulfill our advertisement that Pecan is a secure place to live. We spend almost \$500,000 annually for security and yet we are told we have to lock our cars, and put in security lights. Our members have been asked to serve on the community crime watch, which we all greatly appreciate. And yet, we are still plagued with problems, even though we are told repeatedly that everything is under control. We should not spend any more money on our security systems until we have a better plan of how to keep Pecan safe and secure. What we have now is not working. Making the headlines in the local newspaper with our crime problems is not a good way to protect our property values or attract new home buyers.

In addition to BOD member Tom Roman, who has worked hard to improve our security, we have several other members in Pecan who have expertise in this field. We need to tap those resources for their assistance.

Leadership – Confidence and respect for the BOD has further eroded. The BOD meetings are unorganized and disjointed. There appears to be little preparation ahead of time and there is a lack of cohesiveness and decisiveness. Lack of trust for BOD actions is a concern because of all the political posturing. The BOD is elected to represent the membership and we want representation which is ethical, professional, responsible, financially sound and decisive. Members expect meetings which are well planned and executed and, which instill confidence that the BOD has done its homework ahead of time. Members want more involvement in large expenditures, such as the kiddy pool and the deer removal plan. We want the BOD and management to understand and follow all of Pecan's governing documents, rather than calling an attorney on so many issues and costing members unreasonable legal fees. Granted, many of our governing documents are ill-defined and poorly written and the review of these of documents, which was started recently, must continue.

Management of Financial Resources – This area is critical to not only the short-term sustainability of Pecan and its various amenities, but for the long-term health of the enterprise. We need a comprehensive survey of the membership to determine what amenities they are most willing to financially support. If reductions must be made, let a majority of the members decide where cost containments should be implemented. Likewise, if we have opportunities to enhance our amenities, let the membership decide, not a select few pushing their favorite projects.

As noted previously, we should implement a zero-based budgeting process where every expenditure is justified every year, not just a

percentage added on top of whatever may have existed the previous year. Planning for the future is difficult until we know we are building upon a good foundation.

The BOD should ensure we don't have any financial surprises, such as the recent payment of \$24,896 (which included \$1400 in interest) for franchise taxes from a previous year. How could this happen? Will there be similar surprises from other years?

The current presentations to the members at the BOD meetings are difficult to hear and see and often key areas of concern are skimmed through too quickly. The budget should be distributed to the membership in advance of the BOD meeting, enabling questionable areas to be identified. The financials should be presented in a timelier manner. Even in large businesses, the prior month's financials are ready within a few days of the closing. Given the size of Pecan, this should be readily achievable. The financial report in the Columns should be reformatted. It is very difficult to read and understand.

Upon conclusion of the annual outside audit of Pecan financials, the auditor should present their findings to the membership at the next BOD meeting. Additionally, the members should receive a copy of the year-end financials, complete with final adjustments made by management and the auditors.

Oversight of Management - The BOD must establish clearly written, measurable performance objectives and operational guidelines for management and then hold management accountable. The membership has a right to know what these objectives and guidelines are as they relate to the operation of PPOA. The BOD should know and understand what management is doing but stay out of day-to-day activities. As in any business environment, we should ensure we hire the best employees for each position, tell them precisely what it is expected and then measure their performance. Award compensation accordingly. Bonuses, if any, should be against stated, value-added objectives, not just more money for normal job performance. Compensation and benefits for our employees should be fair and equitable, while fiscally responsible for our members.

Communications - PPOA has a wide range of communications venues. Unfortunately, most of these communications are one-way - informing members rather than offering two-way communication opportunities in which all sides of an issue are available to members. Many times the communications are untimely, incorrect or biased. This is a disservice to the membership.

Additionally, the attempt to improve communications through M2M was unsuccessful. Heretofore, if a member wanted to express an opinion which differed with the BOD or management, there were many stipulations about how this had to be done, how it would be edited and word limits. These communications venues are owned and paid for by the members and they should all be available for reasonable and acceptable, even if differing, opinions.

Chester Howard: 1. Security - Because over 90% of members view it as the number one amenity. Electronics will not replace humans no matter how much is spent. A Government security expert once told me that if we control the gates, we will, at the same time, control crime. I agree with this statement, however, PPOA has removed guards from the gates during one-third of the day, and during a time period that is most attractive to vandals.

2. BOD - Recent governance has shown a deviation from "Representation" to "Govern", and a disregard for prudent money management. This deficiency is controllable through the voting process.

3. Management - Our Management structure has unnecessarily grown at the top and shrunk at the bottom where sweat labor is needed and performed. This change has effectively controlled salary expenses but has reduced services to the Community.

4. Cost Control - Our spending attitude seems to be one limited only by ideas rather than a recognition that most members of PPOA live on a fixed income. Examples such as asphaltting of ALL roads rather than high traffic ones; building of duplicate amenities such as the PAC kiddy pool; remodeling various portions of the Clubhouse; and providing services that are not contractually required are financially draining and require frequent assessment increases.

5. Compliance of Rules and Regs - No better example exists than our recent expenditures on a losing effort to retroactively control RV's. Over 100K was spent needlessly when simple compliance to C's & R's over the years would have sufficed. We have a Compliance Officer on salary, yet I witness C & R violations all over PPOA which will one day require more money wasted on lawyers protesting non-compliance. Simple adherence to existing rules as they were written and intended rather than constant review, interpretation, and rewriting will make life in Pecan more straightforward, hassle free, and predictable.

Bob Kent: Different segments of our residents have different priorities and different ideas on areas for improvements. Effective management and financial planning are my two top priorities. If these issues are not resolved, none of the other issues or areas for improvement can be resolved. Increasing the flow of information between the Board and members is also an area for improvement. Security is a priority for many and wildlife management is a hot button issue. However, these are

secondary issues as compared to financial planning and effective management of our assets.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

3. Please summarize any ideas you may have as to how PPOA could improve both Board and management performance and accountability?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: Open, professional and accountable leadership, with integrity, by the BOD and by management is necessary to rebuild confidence and respect by members. Keeping members in the dark about what is going on is no longer acceptable and while there have been improvements in this area, there continues to be discord in the community, relative to actions by both the BOD and management.

One of the key roles of the BOD is to protect the members' assets but actions such as signing an agreement (signed previously but which just came to light) for a questionable land swap with the developer (15 acres of members' good land to the developer for 10 acres of flawed land which may be contaminated), recharacterizing equipment and facility improvements as replacement costs even though these are new capital expenditures which should go to the membership and, approving out-of-budget expenses without firm bids, are not confidence builders.

As an aside, we should not have committee volunteers negotiating contracts on behalf of Pecan. It is certainly appropriate for them to locate contractors and discuss projects with them, but management, subject to BOD approval, should be responsible for negotiating and financially obligating the organization. If something goes awry, we cannot, and should not, hold a volunteer accountable. Multiple, sealed bids with the same specs are a must! Information regarding the awarded bid should be readily available to members.

Adherence to the governing documents should preclude these problems but when there is any doubt, let the members decide. This can be accomplished through continued openness with members and the realization by the BOD and management that the members, all members, pay the bills. We expect to know how our assets are being managed. Additionally, as covered above, the BOD must establish parameters for the management and hold it accountable.

Chester Howard: A few years back, an effort was undertaken to formalize job descriptions with Goals and Objectives being a logical follow-up step. However, G & O's were never implemented. Recently this job necessity was brought to the front and is now being addressed; and if implemented, will significantly improve performance by PPOA Mgt. and will provide a formal and controlled method to compensate PPOA employees. Employees will then clearly understand what is required of them, consequences of poor performance, and a basis for salary adjustments, if appropriate.

Bob Kent: Obviously the Board can be held accountable through the ballot box or recall elections and Management can be held accountable through the Board. The Board should set goals and priorities and Management should carry them out. Based on discussions with current and past Board Members and committee members, past Boards have not always exercised control or supervision over Management and there have been past decisions made by Board members or Board Presidents, or Management that in my opinion were not in the best interest of PPOA. To improve the performance of the Board, we must elect people who represent the interest of the entire membership. The Board should research the issues facing Pecan and listen to members with different sets of priorities. Once the research has been completed, the Board must provide clear direction and goals to Management. The affairs of Pecan must be managed in a fiscally conservative manner.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

4. Based on the fact that typically about 1/3 of Pecan members don't even bother to vote, few are willing to serve on the Board and committees, etc., a strong case can be made that "member apathy" is an issue in our association. What do you see as ways the Board can engage a larger portion of the membership in: a) serving the community and b) providing more input and participation in the decision making process?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: Voter apathy is a nationwide problem. And, given the changing demographics within Pecan, we will most likely always have a degree of apathy. This community has evolved from primarily retired individuals to include many families with young children and working parents. These members normally do not have as much time to get

involved in the community as our retired members. Additionally, having most meetings, other than the monthly BOD meeting, during the day precludes these members from attending.

Many members are reluctant to get involved. We should be calling and emailing members to let them know what the issues are and personally encourage them to attend meetings – they need to believe they are important in Pecan, not just a dues payer. I have been doing this routinely for months and I have seen more member involvement. Make special efforts to get new members involved in committee work – match some of the outstanding skills available to our needs. There are many bright, talented, experienced members in Pecan and we do not tap this valuable resource enough. We recycle the same members throughout the committees. We need to open those doors for new participants. Some progress has been made recently – the Food & Beverage Committee is made up of members who have never been on a committee before; the HR Project team includes two talented individuals who are relatively new to Pecan.

Many highly qualified members are often passed over for committee membership because they may not be part of a particular group or because someone is concerned they may ask too many challenging questions. When this happens repeatedly, members get discouraged and stop signing up for committees. Committee participation should be based on what you know, not who you know.

Chester Howard: Communication is the key to Community support. Over the years, we have seen many efforts to improve upon our success and many PPOA members have put forth considerable personal effort along those lines. Unfortunately, much communication is of a nature that airs only one side of an issue and contains a proclamation of a chosen path of pursuit, rather than a broad coverage of circumstances and solicitation of alternatives from the Community.

Most issues are rushed through Committees and the BOD as if time is of the essence. Pecan has been here 40+ years and very seldom does an issue appear that requires immediate attention. The Community must be engaged with sincerity. The Town Hall meetings were a good start but seemed to have been discontinued. Community Participation is not something that will be achieved overnight and will require considerable effort.

Bob Kent: First, the member participation rate in Pecan's voting, completion of surveys, serving on committees, etc., is generally consistent with citizen participation in government. Many members

work, have children, other interests, and do not have time to participate. Many in the “silent majority” do not have strong feelings about some of the issues that are hot-button issues with our more vocal or politically active residents. I have talked to a number of people that fall into this category and they tell me that in general they are happy living in Pecan and don’t have time for politics. Although we can probably not increase members’ participation significantly, we can obtain input from them if we take the time to meet with them and get outside our own little circle of friends. We can also improve the way we get information to our membership. For instance, committee agendas and meeting notes can be provided to the members by e-mail blasts rapid posting to the PPOA web site and significant issues can be discussed in the Columns.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

5. Should the Board “govern” or “represent” the membership? Why? Should the Board establish the “vision” for Pecan or should the “vision” mirror the desires of the general membership? What steps would you take to insure you personally fulfill your above choices?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: The BOD is elected to represent the membership in accordance with our various governing documents. The goals and objectives of the BOD should be founded upon sound fiscal management of the assets of Pecan. They are also elected to ensure that management operates the enterprise in our best interest at all times.

The vision for PPOA belongs to the owners/members - NOT the BOD, elected to represent the membership and NOT to management, hired to operate the enterprise. Responding to the vision of the majority of the membership, it is the responsibility of the BOD to identify new issues, opportunities and problems, along with recommendations for resolution. There are many ways to “put your finger on the pulse” of the community - using the various communications media already in place would be one way, along with BOD workshops, committee meetings and individual contacts.

Chester Howard: The BOD should absolutely “represent” the membership. Questionnaires and Town Hall meetings are an excellent avenue of soliciting input. Questionnaires have fallen by the wayside in recent years with a “govern” mentality resulting. Now that we have

electronic capability to acquire information, questionnaires should become a regular staple of the BOD's efforts, and plans made reflecting the wishes of the general membership. Also a long range capital and operating plan is essential to the successful and efficient operation of a business or entity. At one time PPOA had an active Long Range Committee with published results. A return to that type of thinking would result in less surprises to the Community.

Bob Kent: The Board should **both** govern and represent the membership. Given the diversity of the membership this will be a difficult task and conflicts are sure to develop. The Board must have an open-door policy and obtain input from all segments of our membership. The "vision" for Pecan should be a bottom-up process, not top-down, which requires input from diverse interest groups. This vision may change as the population of Pecan becomes more diverse. Working adults with school-age children probably have a different vision than those who view Pecan as a retirement or golf community. I am not sure that many people who buy homes in Pecan ask to see our "vision" statement. If elected to the Board, I will maintain an open-door policy and will meet and obtain input from a diverse range of members.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

6. How do you plan to ensure that the process of resource allocation (budgeting of association expenditures, employees, services, time, etc.) is fair and equitable to the community as a whole?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: Do a comprehensive, unbiased member survey and let the members tell the BOD and management what is most important to them – where they want their money spent. The current amenities which Pecan offers set it apart from other communities and enhance our property values but how these are improved or expanded must be member-driven decisions.

Chester Howard: Of course the definition of "fairness" varies with the individual. Solicitation of the Community's interests and concerns in a sincere manner is key to the allocation of resources and money. Surveys would supply that need, and surveys that are meant to solicit opinions are far more effective than those designed to augment a position by the

BOD. Pecan cannot be all things to all people. Unfortunately Pecan does not have the financial resources to satisfy the wants of EACH member.

Bob Kent: I am not sure exactly how to define fair allocation. In most organizations, it is the squeaky wheel that gets the grease. Is a fair allocation of resources in a shared amenity community, the allocations that we have made in the past? The allocations that were being made when we purchased our property? Most of our major amenities require funds from member assessments. Security, Golf, Roads, Clubhouse, Food and Beverage, and the PAC being the most costly. I have looked at past income and expense sheets for PPOA to see how much of our monthly assessment is used to support each amenity. The percentage of allocations has remained generally consistent, although after the PAC was constructed it consumed a significant portion of the budget. Should we continue current allocations based on past allocations? But just as a vision for Pecan may have changed, our new demographics may have changed the use of our common facilities that require resource allocation. Your question is: How do we make it fair to all members. Actually many of our members do not use the PAC, they do not attend functions at the Clubhouse and they don't play Golf, so how do we allocate funds that are fair to them? This is a really tough question that has no easy answer. In general, budget allocation should be based on community usage and the ability of the amenity to be self-supporting. If we have insufficient resources to maintain our existing amenities then we either need to increase efficiency, reduce services or increase fees, or some combination of measures.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

7. Should broad member input, representative of the overall general membership, be obtained and incorporated into the PPOA planning and budgeting process? If so, how would you propose such broad member input be obtained?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: Of course, broad member input should be obtained and incorporated into the development of the operational plan. "Let the people speak!" Feedback from the membership should be used to help develop the budget. Large or controversial expenditures should go to the membership for vote.

Chester Howard: Absolutely. Again I refer to surveys and questionnaires. We could, as an example, solicit opinions each month with the Statement mailings at no additional cost. Alternately, now that we have electronic capabilities in this area, we should be using this avenue to pursue information gathering on a regular basis. I would guess that some would say that the BOD is too busy to assimilate the information. I submit to you that the BOD is too busy micro-managing Management. Their time could be better spent looking to the future and planning accordingly. Define expectations of Mgt. and let them perform or be replaced.

Bob Kent: As I have noted before, broad membership input is desirable in any organization. However, it is unlikely that we will significantly increase the direct participation of the membership. If we want more input, we will have to put out a greater effort in seeking out that input, go out into the community, talk to people outside of our circle of friends. Various surveys have been conducted in the past and the response has been limited, however, these surveys are useful and with proper research and outreach, we could get more input. Email blasts and more in-depth articles in the Columns can significantly improve the flow of information to PPOA members. The Board should seek input in the planning process but if input is not received, the Board still must develop budgets that represent, to the best of their ability and based on available data, the interest of the membership.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

8. Prioritize your top three amenities, defined herein as any facility or service that benefits PPOA members. Please explain your reasoning for each choice.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: *Security* – This is one of the main reasons people buy homes and move to Pecan. People want to feel they are safe in their homes. Living in a gated community should provide this secure feeling.

Fire/EMS – Not enough can be said about what these dedicated people bring to the residents of Pecan....they serve selflessly to save our lives and protect our property. They are an invaluable part of our community. We should show our support for them in every way possible.

Infrastructure – Whether it is golf, the roads, bridges, air park, the equestrian center, marina, etc., these are the things which attracted us to Pecan and I sure that is true with many other residents. These are all areas which continue to make our little corner of the world a special place to live, and hopefully, will attract other families who want to live in this type of an environment.

Chester Howard: 1. Security - In past surveys, over 90% of respondents listed this area as being most important to them.

2. Golf - this sport brings more families to Pecan than any other amenity with the possible exception of Security and is designated a REQUIRED amenity by the turn-over agreements.

3. Roads - An amenity that contributes to pride of home ownership here in Pecan. When time comes for home sale, it also provides a positive view to perspective owners and helps maintain home values.

Bob Kent: We do not play golf, use the PAC, or pool, or play tennis, own an aircraft, or use the beaches very often. We do enjoy the peace and quiet, the wildlife, well maintained neighborhood and good neighbors. Good roads and good management to maintain the quality of our investment are important to me. However, I realize that many members do use our facilities, and I believe that we should strive to maintain these amenities since they all in some way contribute to the preservation of our investments and the good life we have in Pecan. I am also aware that our surveys indicate that Security is a major amenity and is very important to our members. I believe some of recent changes and improvements proposed by Management will improve Security.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

9. Should ALL meetings and records of the association (excluding personnel and legal matters) be open to the membership? Explain your answers.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: To rebuild trust in the BOD and management, with few exceptions, meetings and records should be open to members. The BOD should meet in closed door session only when absolutely necessary to discuss sensitive areas regarding human resource and legal issues.

Chester Howard: With one other exception - Appeals - all meetings of PPOA should be open as defined above. Open in my definition is allowing

an audience to observe if interested but participate ONLY if so asked. With proper surveys, questionnaires, and workshop interaction, audience participation in working meetings can be maximized with minimal extension of meetings times complementing the efforts of those who are offering their time and efforts to serve.

Records are a difficult area. Retrieving records requires time and effort on the part of employees who should otherwise be occupied. I propose that a reasonable fee be determined per page for Club documents, and that members-in-good standing of PPOA be allowed to purchase the documents if they so desire.

Bob Kent: The short answer is **yes.** Our by-laws require PPOA to have open books. The current controversy over open books appears to revolve around the disclosure of salary information on our employees and some past decisions or practices by Board Members or Management that were not open and turned out to not be in the best interest of PPOA. There was a Board Policy passed in 2003 that defined salaries as information that would not be released to members and I do not agree with this policy. I believe that in all but a very limited number of exceptions (personnel actions, legal matters, and current bid proposals) our records should be open for inspection by any member.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

10. Do you feel Pecan's current "communications program" is adequate for the overall membership in terms of timeliness, thoroughness, fairness and accuracy of information? Please explain your viewpoint and any other approaches you believe could be utilized to further improve communications.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: No, I do not think Pecan's current communications programs are adequate. More often than not, the news is old news by the time it hits one of the communication venues – not only is it late, but many times, incomplete and often incorrect. For example, there have been complaints about the quality of the BOD meeting minutes. According to our Bylaws, our records are supposed to be kept accurately and correctly. That is one of the reasons why the PPCMA updates are so widely read – they are extremely timely and portray the scope of meetings accurately.

Now that the meetings are being televised on Channel 28, more of what actually occurs is being seen by members. But, if a member does not have cable TV, they cannot get Channel 28. Accurate, timely and complete minutes of all meetings must be provided to the membership. The BOD should be responsible for ensuring this occurs.

Chester Howard: Communication is a never ending, inadequate program no matter how constructed, and there can always be improvement. However, communication with an agenda other than balanced presentation is not only divisive but a turn-off to those members on the other side of an issue. This invariably results in examples of "preaching to the choir". A liberal use of electronic data gathering can, over time, educate the populace as well as spread a feeling of inclusion to those members who are currently frustrated with the outcome of many issues, and their abilities to acquire information and understanding.

Bob Kent: NO. Based on PPOA surveys and discussions with divergent segments of our membership, I do not think The Board or Management communicates with our membership. We do not provide sufficient information to them and we do not obtain input from them. For example, very few people watch Channel 28, and many members do not visit our web site. Neither are very user friendly nor do they provide the types of information that would be useful to the members in making decisions about what is important in Pecan. Our website is not up to date and could contain a lot more current information. The Columns has a wide readership but the information in the Columns does not contain the in-depth content that would keep our readers informed of current issues. We need to use these resources better and we need to develop the type of content that provides useful information to the membership. Email blasts would be helpful to many members. However, increased efforts to keep the Website up-dated or increased content in other forms of communications will come with a price tag. It would probably require additional staffing or an increased efficiency in using existing staff or we could find volunteers to do the extra work.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

11. Should communications resources, owned by all PPOA members, such as the Columns, Channel 28, web blasts, Town Hall meetings, etc. be cordially open to both sides of issues when differing opinions exist within our community, or should these venues only be used to offer the Board and Management point of view? Please explain your answer.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: We, the members, own all the facilities and the communications resources. Therefore, these should be available to any of us to present all sides of issues, especially when members are being asked to vote. We would expect all communications, including differing qualified opinions, to be presented in a professional manner.

Chester Howard: Communication is a labor intensive effort, and no matter how effective will always be subject of criticism. I applaud the efforts of those volunteers who give their time to make it as good as it is. Do I feel there are shortcomings? Yes. Communication can always be better, and I do believe that more effort should be expended to communicate both sides of an issue where they exist. Communication by definition is an effort to educate recipients on the ENTIRE issue rather than a single viewpoint. Our PPOA communication should be fair and balanced.

Bob Kent: Yes, but with some restrictions. For example much of the “differing opinions” in Pecan is highly emotional, and in my opinion could best be described as Yelling, not dialogue. Well thought out opinion pieces, with proper research and respect for the opinions of others should be distributed through our common communication tools. I note that there are some limited numbers of users of the Discussion Forum on the PPOA website. I have not found these discussions very useful in trying to develop solutions to issues, although they do at least let you know there is an issue. For example the wildlife issue and security issues are topics of discussion on the Forum but they offer no substantive research or solutions for problems. Of course, the PPCMA does offer information, comments and opinions on their web site. It is also critical that the Board or Management allow conflicting points of view be presented in a thorough, factual and informative manner. We can do better.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

12. If elected, would you be open to member input via email, phone calls and/or direct meetings? If so, what steps would you take to maintain such open lines of communication?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: In business, I always practiced an open door policy and I would continue that process here. I would be open to any avenue of communication which is effective for the member initiating the contact. For the past several months, I have repeatedly been in contact with many members and I believe these, and other members, will be comfortable contacting me with any issues. Many already do.

Chester Howard: No one should run for the BOD that is not willing to make themselves available to the Community. I believe that BOD members are elected to REPRESENT the PPOA members, and if not open to and available for (by any means) communication from members, then they can only govern according to their own personal agendas which is not their elected mandate.

Bob Kent: Yes. I have already established dialogues and conversations with people of diverging opinions, no opinion as well as the opinions of some very committed dedicated members of our community. Any member can contact me by e-mail (sbkent@charter.net) or phone (817-573-7938) on any issue that is important to them.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

13. What are your views on the current By-laws requirement of a 2/3's approval threshold (of those members voting) to amend the By-laws and change the monthly assessment?

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: I WHOLLY support this two-thirds requirement in the Bylaws.

Chester Howard: Originally only 50% plus one was required to approve issues. Because of a concern with the possibility of the developer voting lots in mass, the requirement was changed to a 2/3's majority OF THOSE VOTING. History supports that following extensive communication and sharing of information with PPOA members, the 2/3's requirement has not prevented passing of those issues that are universally important to the majority of members. I therefore support no change to the By-law.

Bob Kent: I fully support the 2/3 approval threshold.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

14. Background - There are seven “member proposed” Bylaws amendments that will appear on the March ballot. These include 1) allowing any member in good standing to run for the Board without interference from a “Nominating Committee”, 2) establishing three year “term limits” for PPOA committee membership (provided new people sign up), 3) member access to PPOA information, including salary data as allowed by state and federal Privacy laws, 4) elimination of current language that allows Board members to unconditionally “avail themselves” of free food and lodging, 5) election of a PPOA President by the new Board as opposed to the outgoing Board each year, 6) restriction so that the same Bylaws change cannot be “re-voted” for three years if it fails and 7) the formal establishment of an Audit Committee within the Bylaws.

PPCMA’s Advisory Council strongly supports ALL SEVEN of these proposed amendments.

Question - Should you be against any of these seven proposed amendments, please identify which ones you oppose and explain why.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: I support these member proposed amendments to the Bylaws.

Chester Howard: 1. Support

2. Support

3. Support. I believe that PPOA should publish salary ranges and any applicable bonuses for all positions and make the data available to any PPOA member interested.. The exact salary number (while within the range) could then be reasonably private between the employee, and the BOD and/or Management.

4. Support

5. Support

6. Support. In addition I believe that the inverse should also covered in a By-law change (a passed by-law cannot be re-voted for three years).

7. Support. We currently have a policy statement on the books that spells out the existence of a formal Audit Committee. The members are defined as the non-officer members of the BOD. My understanding is that the Audit Committee is to review procedures, limits, etc. and report

back to the remainder of the BOD their findings for appropriate action by the BOD IN TOTAL.

Bob Kent: First let me state that as a general rule, I favor By-laws amendments as a last resort. Most HOAs or POAs have similar By-laws and there is probably a good reason for this. If we constantly change our By-laws we will get into the same shape as California or “legislation by initiative.” That said, if there is no other way to resolve a problem, then I would be in favor of By-law amendments. Personally, I think that By-law amendments should be debated before they are placed on a ballot. Asking the members to vote on issues without debate or research can do more harm than good. As you noted, there are seven member proposed Bylaw amendments. I will touch on each one.

a. Allowing any member in good standing to run for the Board without going through the Nominating Committee.

ANSWER: I will vote for this amendment. However, please note that currently there is no real barrier to anyone running for the Board as it only requires 50 signatures on a petition. The By-law amendment would require other changes including dropping the requirements for nominating committee. Having an unlimited number of candidates should not increase the cost of elections but may result in a diluted vote.

b. Establishing three-year term limits for committee memberships.

ANSWER: If the length of time a member can serve on each committee is limited by a By-laws amendment, there must be a way to preserve the “committee memory.” I understand that some people believe that existing committees are filled with special interest groups and well qualified members are not selected for committee membership because they are in conflict with “Management”. I believe that we should use the best talent in the community to staff committees, if they are willing to serve. The Board has the responsibility to insure that committee members represent all interest groups. Currently unless I am convinced other-wise by people who advocate this position I am leaning against this amendment.

c. Access to records including salary data.

ANSWER: I have already mentioned this issue. In my opinion it was a Board policy, not our By-laws that exempted salary data. Again, this is a management issue that should have been resolved a long time ago. However, if by the time of the election, the Board has not reversed this policy, then I would vote for the amendment.

d. Elimination of free food for board members.

ANSWER: I do not think that the intention of the amendment is clear about what it is trying to do. I have discussed this proposed amendment with several people and apparently this amendment was offered to prevent Board members from having free food anytime they want it. For example if a Board member goes to the club at night or any other time they are not conducting Board business, and orders a large meal and then does not pay for it just because they are a board member, then I am opposed to free food and would support the amendment. However if this is to prevent Board members from having lunch during board meetings or workshop, then I do not see this as a problem. I am undecided on this amendment.

e. Election of President by New Board.

ANSWER: Our current method results in the President-Elect being elected by an outgoing Board and that person automatically becomes President the following year. If the new Board is not happy with the performance of the President, they can remove him/her from that position. That is what recently occurred in Pecan and therefore it appears that our system works. However, I support this proposed By-Laws amendment as I believe that the new Board has the right to elect the new President.

f. Same By-laws amendments cannot be re-voted for three years.

ANSWER: I don't know the historical context of this amendment. Is it to keep management from voting and re-voting until they get the answer they want? I hope that we are not tying the hands of the Board to run the PPOA. I have not decided on this amendment.

g. The formal establishment of an Audit Committee.

ANSWER: Under article nine, section 3 of the existing By-laws, The Board can establish an audit committee or any other committee as they see necessary to run the business of the PPOA. I have nothing against having an audit committee.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

15. Background - A "Board proposed" initiative to modify the Bylaws to allow "Electronic Voting" will appear on the March ballot. This proposal would allow elections to be called as often as a Board would like, based on "notice" in the Columns. There are a number of major unresolved concerns as to the integrity of the system. Rather than allowing members to "opt-in" to electronic voting should they wish to do so, this proposal is the other way around, requiring members to specifically "request" paper ballots, thus potentially disenfranchising many voting members that might be unaware of the election or not have a computer.

PPCMA's Advisory Council strongly opposes the proposed "Electronic Voting" amendment.

Question - Please explain your position on the Electronic Voting proposal being put forth to the membership.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: I oppose the amendment to the Bylaws to implement electronic voting. I believe this has the potential to usurp the rights of some of our members. Many members do not have computers and it is wrong to force them to chase down paper ballots to vote on an issue, providing they even know there is an issue for voting. I am also concerned that it could allow issues to be pushed through too quickly.

Chester Howard: I support electronic collection and dissemination of survey data and questionnaires, which is how the electronic issue was first presented and sold to the Community. I DO NOT, however, support electronic VOTING. Paper ballots, as required in our By-laws, necessitate greater effort, communication, and Community involvement towards the voting process, and most importantly, insure the inclusion of those individuals that choose to not own a computer. In the case of voting, a slower process aimed at greater representation and clarification helps insure better and longer lasting results.

Bob Kent: At this point I am not in favor of electronic voting. From the discussions I have had on this, I understand that one purpose is to save the annual cost of mailing ballots. However, since not all people want or can receive electronic ballots, there would be some expenses associated with both mail and electronic ballots and I would not be in favor of mixing of the ballots. I do not know if I agree with the statement that many voting members would be disenfranchised, given that only about 30% vote. I do not know how many people have a computer or use email but I am sure that it is greater than 50 percent of our members. My reason for voting against the amendment has nothing to do with the potential to disenfranchising our members.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*

16. Pecan Plantation is a deeply divided community at this time. Please explain what you would do to bring it back together and promote healing of the community.

Ron Cotton: *Candidate Chose Not to Respond to Question*

Bev Hayes: Realistically, I believe we have seen the development of a two-party system in Pecan, very similar to what we see in the nation as a whole. There may continue to be dissention between these groups. While we may always have differing opinions, we should realize that reasonable people should be able to disagree without turmoil.

We need to seek out commonalities, capitalize on those and behave professionally. The lack of trust between the groups will be challenging to overcome but if we can build on good fiscal management and abide by the governance documents, perhaps that could start Pecan moving in a more unified direction.

One of the most positive actions taken by the BOD was the formation of the HR project for Pecan. With hard work, objectivity and solid background information, I believe the results of this project will go a long way in establishing a degree of trust in the community in an area which has been highly questionable. I can promise that each member of this project is dedicated to doing the very best job possible for the good of the community. And, we appreciate the support of the BOD and the community in establishing this project and being supportive of what we are striving to accomplish.

In closing, our members are our most valuable asset. They are our shareholders, our customers and our volunteers – without the members, there would be no Pecan.

Chester Howard: Healthy debate in an open environment is good for our Community. Alternatively, "Invitation Only" political meetings are a detriment to our Community. If ALL members of our Community are not considered by their neighbors as worthy contributors then natural animosity will occur and exist. This Community will not always be in total agreement on all issues. We are, however, an unusually capable community made up of reasonable people with enough experience to know that one does not always get ones way. On the other hand,

exclusion of an opinion or input only breeds animosity. The Town Hall meetings were a good effort toward open communication, but they, unfortunately, did not last long enough to build up a representative Community involvement. I believe that a resurrection of those meetings coupled with a return to Community representation by the BOD will cure some of the ill will. For example, a simple measure of the effectiveness of a Board, the communication process, and member satisfaction is meeting attendance. In past years, twenty to twenty-five members would attend the BOD meetings indicating relative satisfaction. Recently there has been standing-room-only attendance of mostly disgruntled members demanding change.

Bob Kent: I am not sure that Pecan is a “deeply divided community.” I think it is true that there are at least two groups in Pecan who are “deeply divided” but I am not convinced that these two groups represent the entire community. I talk to many people who are quite content with life in Pecan and many others who are just too busy to pay attention to the “squabbling” or “politics” in the community. It is not possible to heal the rift between groups unless they want to join together for the benefit of all and tone down the dialogue. If I am elected to the Board, I will continue to listen to all sides of an issue and based on well researched data, vote for what I believe to be in the best interest of Pecan Plantation.

Bob Mauer: *Candidate Chose Not to Respond to Question*

Ray Scott: *Candidate Chose Not to Respond to Question*