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Sent via regular mail, email, www.friocielo.com, FCRA Pavilion bulletin board

To: Frio Cielo Membership

Re: Transparency – Letter from the President

On September 28, 2016, a Newsletter was sent to the membership, by virtue of the only members list in the FCRA Secretary's possession, calling a Special Members Meeting on October 15, 2016 at the FCRA Pavilion. One of the items listed on the Agenda for that meeting was the Removal of Members (of the Board) pursuant to Article II, Section 2.14 of the FCRA Bylaws. This written notice (Newsletter) was provided by regular U.S. Mail, email, hand-delivery, www.friocielo.com website, and/or posting on FCRA Bulletin Board in accordance with Texas state law. Pursuant to Section 2.14, "the members may by majority vote remove any one or more directors, with or without cause..."

On October 15, 2016, the Special Members Meeting was held, and the issues concerning the removal of certain board members were discussed. These issues included, but were not limited to, the following:

- Missing ranch records that were requested by various means by various members for 4 months;
- Operation by the Board without adherence to the FCRA budget approved at the July 2, 2016 Annual Members meeting;
- Hiring contractors outside of approved budget;
- Concerns for bankruptcy of FCRA;
- Secreting the "official" members list and other documents; and – Making broad, overreaching decisions outside of members' input.

At the October 15th meeting, three Directors of the FCRA Board were removed from their positions by a majority vote of the members, both present and by proxy. The three members removed are Darrell Wolff President, Dan Forrester-Vice President, and Fred Kost – Board member. Further, the members confirmed the automatic resignation of Juanita Rinche, the FCRA Treasurer, pursuant to Amendment to Bylaw, Article II, Section 2.13, as well as the removal of the Assistant Treasurer, Pat Barbour. You may find a copy of the draft minutes for the October 15th meeting at www.friocielo.com.

The Board's first act, pursuant to Section 2.14, was to elect our officers, which was done on October 15th, and the next board meeting was scheduled for November 12. Joy Benetti was elected President, Kim Sturman as Vice President, and Tony Benetti as Treasurer. Soon after, the removed Board members – Darrell Wolff, Dan Forrester and Fred Kost, by virtue of their attorney, informed the new Board that the Special Members Meeting was illegal. Further, Darrell Wolff, Dan Forrester, Fred Kost and Pat Barbour said the

reason they did not attend the October 15th meeting to defend their positions was because the attorney advised them the meeting was illegal. Their justification for their position was the fact that they alleged the Secretary did not have the “official membership list” that had been requested for several months, and it was the duty of the President to see to it that she receive it. At that point, I (Joy Benetti) retained Counsel who confirmed that our procedures for calling the Special Members Meeting and holding the vote were, in fact, legal and we had a very good lawsuit to prove same.

Due to the challenge made against this Board by the removed Board members, a Special Board meeting was called for October 30th and the membership was invited to attend. An agenda was included with the meeting notice. Of primary concern was the confirmation of the Board of Directors as well as the retrieval of FCRA documents from the previous Board. By law, all FCRA documents are required to remain on FCRA property (Records Building). We learned that some of the documents have finally been returned in the past couple of weeks, and Dan Forrester said he would be picking up the remaining documents from the past Treasurer this week, which certainly indicates progress.

At the October 30th meeting, the new Board broke into Executive Session and the members were invited to return for further discussion at the end of the Session. In this Executive Session, the following was decided:

- To fire Tom Newton, the former attorney-of-record for FCRA, due to his conflict of interest in representation of only Darrell Wolff, Dan Forrester, Fred Kost, Juanita Rinche and not the entire Board of Directors;
- To hire Peter Kilpatrick to be FCRA's new Counsel; and
- To discuss possible legal remedies necessary to refute removed Board members' claims that the Special Members Meeting of October 15th, 2016 was held illegally. The decision was made to meet with the removed Board members to discuss peaceful solutions and alternatives to litigation. The reason for this decision was to hopefully bridge the divide in our community and save extensive costs to FCRA that litigation would cause.

At the conclusion of Executive Session, the Board met with the membership again to inform them of the decisions made during the Session. Darrell, Dan and Fred did not return, so it was not known whether a meeting with them would be possible. About an hour and a half later, we were able to meet with them and their position was the same as was announced by the former FCRA attorney – that another vote must be held. At no time did I or the current Board members present indicate to the removed Board members that we would not be acting as the Association's newly elected Board, but agreed not to move forward with litigation until the removed Board members had the opportunity to call another Special Members Meeting for a vote, as long as it was done by the November 12th Board meeting which was previously scheduled.

I must inform the membership at this time that at the October 30th meeting, it was disclosed that the “official members list” which was very recently provided to the Secretary by Dan Forrester had only one, possibly two, names that were not included on the members list that was available for the September 28th Newsletter notice.

Therefore, the current Board believes that calling a new vote is moot. But it is the right of and responsibility of the removed Board members to call another Special Members Meeting and vote pursuant to Section 2.14 to be held no later than Saturday, November 12, 2016. This is our collective, peaceful alternative to litigation which this current Board believes is in the best interests of FCRA and it has been agreed that the members shall speak and determine this issue once and for all.

Joy E. Benetti

/s/ Joy E. Benetti

Kim Sturman

/s/ Kim Sturman