

January 20, 2017

Dear White Bluff Property Owner:

This posting on the POA's new website, www.whitebluffpoa.com, is intended to provide you with much greater detail about the many issues facing you, as a WB property owner, and your elected Board of Directors.

For about half of you, our mass mailing to all WB property owners may be the first direct communication from your Property Owners Association Board of Directors.

This lack of direct communication is the result of two things, neither of which was in our control.

First, our present email database includes only approximately one-half of our property owners. Your Board has been consistently communicating via email blasts for the past several months, but only half of you have been receiving them.

Second, in the past Double Diamond has been the entity that has sent out the semi-annual billings. As half of you are aware the POA Board has made a demand that Double Diamond provide us with the property owner database, and they have refused. We were able to send out our mass mailing only by pouring through the Hill County tax records and coming up with the addresses of over 6,000 WB property owners

There are several vital items that this correspondence will cover, and I encourage you to read through the following carefully:

1. January Billings Delay

You have probably noticed that you have not received the January billing. There is a reason of which you need to be aware. Last month the POA sent Double Diamond a Demand Letter. The letter demanded that Double Diamond transfer all POA funds to the POA and that Double Diamond provide the POA with the property owner database and billing amounts. To date, Double Diamond has refused to comply with these demands.

The POA made the decision to instruct Double Diamond to NOT send out the billings out of fear that the collections would flow to Double Diamond, the entity that refuses to transfer the funds that are rightfully yours. The POA will bill and collect the amounts due in January as soon as Double Diamond complies with our demands. In the meantime your 2016 window stickers will be honored at the front gate. **You will not be assessed a late fee as a result of this delayed billing.**

2. FirstService Residential

Your POA contracted with the above third-party management firm to take over the internal management functions that have been done by Double Diamond for the past 26 years. During this time Double Diamond has collected your money, held your money and internally paid all accounts payable. The POA thinks it is in your best interest that a company independent from Double Diamond should be handling these functions. The simple fact that Double Diamond will not turn loose of YOUR funds and will not give the POA vital information that is rightfully ours is absolute validation of this decision.

FSR will be sending out the January billings for the POA and will collect the payments. Your 2017 window stickers will be included in the billing.

3. What if You Get an Invoice from Double Diamond?

Ignore it. Wait until you get an invoice from the POA through FSR. No more funds should be sent to Double Diamond, especially since they won't release the POA funds they presently have in their possession.

4. Double Diamond's Country Club Proposal

Undoubtedly you have received email correspondence and/or written correspondence or phone calls from Double Diamond regarding their proposal to turn White Bluff into a private country club. This proposal is being mainly directed to lot owners with Double Diamond promising a reduction in fees.

5. The POA's Position on the Country Club Proposal

The official position of the Board of Directors is that we are opposed. The Board will remain steadfastly opposed until which time more details are forthcoming. The Board will also remain steadfastly opposed until which time the proposal contains details that absolutely protect the rights of all our property owners. There are things the Board knows but many more that it does not know.

a. Double Diamond's authority to set POA fees.

The governing documents of the POA specify that the POA is the sole entity authorized to establish property owner fees. This is very important to understand, because Double Diamond is PROJECTING a reduction in over-all fees for many property owners when they have NO authority to do so.

b. Double Diamond's Absolute Control of the Country Club Board

This we do know- that the Double Diamond proposed Country Club Board will be made up entirely of Double Diamond executives. There will be NO property owner representation at all. It has been stated that Mike Ward (DD President and WB developer) will appoint an Advisory Committee with appointed advisors. The problem with this is twofold- the committee can only give non-binding advice and the make-up will undoubtedly be those with friendly leanings to Double Diamond.

c. False Promises to All

In numerous Double Diamond communications there is a promise of an immediate reduction in fees for everyone. The definite insinuation is that if you want to start saving money NOW respond positively. Nothing could be further from the truth. The truth is that fees for some would go up, for some they would stay the same and for some they would go down. However, in ALL cases the projections are bogus (see a. above).

d. The Double Diamond Management Fee

The proposal calls for the non-profit country club to pay Double Diamond a management fee that starts at \$250,000/year and increases 5% per year over a 12-year period. Do the math. That fee that begins at a quarter of a million dollars will approach well over \$400,000 by the 12th year. Does anyone really think that country club dues are not going to increase, in the minimum, at the same rate as the management fee?

e. Country Club Assessments for ALL Property Owners

For those of you who have not experienced one of the big negatives of being a member of a country club, it is certainly something to consider.

- i. Double Diamond controls the country club Board.
- ii. The country club Board can make assessments.
- iii. Assessments are OVER & ABOVE the POA dues.
- iv. Country club assessments are "assessed" to ALL members.

Think about that for a moment. If the DD-controlled Board wants to finance a \$2,000,000 improvement on the golf courses, it can do it and bill you for your proportionate share. If the Double Diamond controlled Board wants to fund massive renovations of deteriorated once-Double Diamond properties, it can do so and will bill you for your proportionate share. And, keep in mind that these assessments are OVER & ABOVE the potentially increasing dues.

f. DD asserts that the POA Should Use YOUR Money to Improve Double Diamond Properties

Do you want your money to pay for much needed renovations and repairs that are owned by a for-profit entity? Obviously not, but there's one more thing- It's not legal!

The above are but a few of the things that the POA Board is concerned about, things that need to be addressed. You can read much, much more on our new website, www.whitebluffpoa.com.

6. Proxy Procurement

Your POA is asking that you grant us your proxy in order to protect you. You can do so by downloading the Proxy Form at www.whitebluffpoa.com and returning it by mail to the address below, faxing a copy to the number below, or scanning the completed form and emailing it as an attachment to proxy@whitebluffpoa.com:

White Bluff POA
P.O. Box 37
Whitney, TX 76692

FAX: 254-694-1379

Why is this important?

First, the Board needs the means to adequately protect you from an entity that will not even release what is rightfully yours.

Second, because of actions by Mike Ward at last May's Annual POA Meeting you were not able to fill three, still vacant Board member positions.

This May three more seats will need to be filled. If Double Diamond receives sufficient proxies, it will be able to control your POA Board just as they would control the country club Board. For the first time in 26 years, YOUR Board is comprised of members (property owners and home owners) who have no affiliation whatsoever with Double Diamond.

7. Misleading Double Diamond Proxy Procurement

In initial email communications Double Diamond suggested that if you wanted to save some money "Vote" YES electronically. What many, many property owners were not aware of was that if they expressed their OPINION (not a real Vote) in an affirmative way they were AUTOMATICALLY granting their proxy to Double Diamond for any and all issues coming to a vote.

Double Diamond is also having paid, professional phone solicitors call targeted lot owners using high-pressure tactics and in many instances falsely identifying themselves as representing the WBPOA. One boiler room, located up north, actually has a phone number ID set up to make it look like the call is coming in from the main number at the resort. They are asking for your RECORDED PROXY.

If you have inadvertently given your proxy to Double Diamond by “Voting” Yes or if you have given Double Diamond your proxy via tape recording, your Board is asking you to effectively REVOKE it by going to the website and granting us the privilege of representing you, not Double Diamond.

8. New Website- www.whitebluffpoa.com

Find out who is on your Board, their backgrounds and how to contact them directly.

See the year-end financials of your POA.

See the 2017 POA Budget.

Read the Official Minutes of your POA Board of Directors Meetings.

Read the long series of email communications and responses from your Board and Double Diamond regarding the country club proposal.

In the near future, review the current status of ongoing litigation.

Grant your proxy to the POA as described in item 6 above.

Revoke your proxy previously granted to Double Diamond!

9. Electronic Voting on POA Matters

The website will soon allow you to vote electronically on POA matters. This feature will be added by FirstService Residential as soon as they transition into serving as the WBPOA's new management firm. A Members Only Section will be added at that time as well as numerous other wonderful enhancements, all designed to let you give your Board and your fellow property owners greater communications.

10. Your Email Address

Lastly, if you are not in our email database and are not receiving emails from your POA, please take a moment and go to <http://www.whitebluffpoa.com/proxy.html> and register your email address and even your “snail mail” address if it’s not correct.

I do apologize about the length of this correspondence, but it is absolutely vital that we do everything we can to make White Bluff the dream we all bought into when we decided to buy there. We feel the POA Board can best direct the recovery efforts as we go forward and not an entity that puts the resort in the shape it finds itself in now and is asking for YOUR money to pay for the deferred maintenance of THEIR assets.

If you have any questions that are not answered on the website, contact a member of the Board directly by clicking on <http://www.whitebluffpoa.com/contact-us.html>.

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