

June 29, 2017

TO: White Bluff Property Owners

FROM: Your Board of Directors

Leonard Critcher, President

RE: Maintenance Fees, Comp Golf Rounds and Golf Course Maintenance

A few property owners have repeatedly inquired on social media; i.e., Nextdoor, as to why maintenance fees have not been reduced as a result of the POA decision to cease paying for the maintenance of the golf courses. I honestly thought that our previous email communication addressed this but feel it is a good idea to make sure everyone understands the current situation.

Maintenance Fees

First, maintenance fees are not dues as a few property owners reference them. These are fees collected by your POA to maintain properties we own and those we have an obligation to maintain. Every fall the Board, in an open meeting, goes through a budgeting process. Input from property owners in attendance is allowed in the Open Session and the Q&A of the Board. The Board discusses and establishes ANTICIPATED expenses and OBLIGATED expenses for the coming calendar year. The budget is itemized, approved and maintenance fees are established. The Board has the prerogative to increase maintenance fees, decrease them or leave them at the same level based on its determination of what we are ANTICIPATING our expenses to be along with what we are OBLIGATED to pay.

This is not an exact science as anyone who has ever run a business can tell you. Some expenses ultimately run more, some less and some are on target, but it's the Board's charge to make sure it has set a budget and resulting maintenance fees at a reasonable, workable, fair and realistic basis.

The budget process is an annual process, plain and simple. Events that happen during the calendar year do not change this process, as much as a few property owners may wish it would.

Comp Golf Rounds

This one is easy to address. The POA did not, does not and will not (until which time we own the golf courses) have anything at all, not one iota, nil, zip, nothing, period to do with providing or guaranteeing property owners 36 rounds of comp golf per year. This is, was, and is a continuing contractual obligation of Double Diamond. The POA was not and is not a party in this contractual obligation.

If Double Diamond chooses to violate its contractual obligation to property owners and cease honoring comp golf rounds that has nothing to do with the POA. To the property owners upset about Mike Ward's threat- go after Mike Ward not the entity who is doing what is right and correct relative to OUR obligations.

Golf Course(s) Maintenance

OK, to the property owner golfers voicing questions, this is for you. As a preface, let's go back through a short history lesson. In 1990 the POA (controlled by Mike Ward and 2 DD executives) signed a 25-year Use and Maintenance Agreement with Double Diamond to pay for the maintenance of the golf courses. This agreement expired on 12/31/2015. The POA sought to have the agreement extended as we felt that the agreement OBLIGATED us to maintain the courses. (As you read OBLIGATED think back, property owner golfers, to the part on Maintenance Fees) Double Diamond refused.

The POA filed suit in Hill County District Court asking the court to determine if we were OBLIGATED to maintain the courses after the Use and Maintenance Agreement expired. The court said, No.

So now the POA is having a court say we are not obligated to do so and another court in Dallas telling us that we CANNOT maintain the courses. So, for the last two months we have not been paying for the maintenance of the courses, and honestly who would if you were in our position?

Enter the property owner golfers, who have ranted and raved that because they have paid maintenance fees, part of which were ANTICIPATED to be spent on golf course maintenance, they should receive that portion back. These property owner golfers obviously have never run a business.

First, the POA does not have any indication of, if, and when we may start maintaining the courses again. It could be a week from now, a month from now, or more- whenever Mike Ward comes to his senses and turns these over to us so this mess he created can get behind us all. We must be prepared for that inevitability, whenever it happens. So, property owner golfers, we are not going to reduce maintenance fees because if we did and we start maintaining the courses again we will need the money to do so.

Second, the POA owns 62 miles of White Bluff roads that are in need of a total remake due in great part to the sub-par building of the roads by Double Diamond and other things like Double Diamond Utilities saw cutting our roads without permission, causing irreversible damage. All property owners should understand that if we save some money by not maintaining the golf courses we absolutely need it for addressing the roads situation. And, in case you missed it the Board authorized a comprehensive assessment of what needs to be done with the roads by a professional engineering firm, and their report will be forthcoming very soon. Past POA President, Milt Bergman, has devoted countless hours to this project as Chairman of the Roads Committee.

So, property owner golfers who have verbalized their desire to get a refund, take a step back along with a deep breath. You should understand that over 95% of the comments communicated to the Board have been positive and this includes the

preponderance of WB golfers. Get real, get with the program and please stop being a divisive infusion of irrational, under informed, and totally self-centered actions and comments. This is a community, and We Are Family!