

September 20, 2017

TO: White Bluff Property Owners

FROM: Your Board of Directors

Leonard Critcher, President

John Bass, Vice President

Jim Fletcher, Secretary

Jeff Williams, Treasurer

Jay Elder

Mike Ellis

Joe Manders

Roy Miller

Marshall Snyder

RE: Reduction of Maintenance Fees

There have been some property owners who have asked why maintenance fees have not been reduced since the POA is currently not maintaining the golf courses. Your Board wishes to address that question.

FIRST, after Mike Ward chose to first shut down both courses then chose to re-open the New Course while “minimally maintaining” both courses, we were given no indication how long this would continue as the status quo. One of the possibilities we explored was contractually acquiring both golf courses. If this had, or does, transpire we would immediately be in a position of incurring golf course(s) maintenance. It would be fiscally irresponsible to know this was a possibility, lower maintenance fees then have to come back and raise them.

SECOND, at no time in the last 26 years has a Reserve Fund been established for the POA. Reserve Funds are part and parcel of the operations of any successful and financially stable POA or HOA. Reduced expenses, such as savings from not paying for golf course maintenance, can be set aside to meet future unplanned expenses, deferred maintenance of physical properties or planned expansion of existing facilities. Just as any Financial Advisor would tell any individual client- you need to have an Emergency Fund or savings, the POA needs the same prudent approach to looking ahead at the future.

THIRD, **our 62 miles of roads are in deplorable condition.** The shortcuts taken when they were originally built are now literally coming to the surface, whatever surface may be left. Your Board commissioned a comprehensive, professional engineering study, under the guidance of Roads Chairman Milt Bergman, to completely assess the conditions of the roads, the needs, the prioritization of meeting the needs and the projected cost. We have been presented with Stage One and are into Stage Two. The Board is carefully assessing what has been and what will be presented to us as Stage Two comes to an end. We will not only have to approve the prioritization of road construction but also the timing and how we meet

the costs. While we do not have a final cost of replacing our roads, we do know it will probably be in excess of \$10,000,000.

We all are aware that the single most important factor affecting property values in White Bluff is the condition of our roads. The roads are the first thing anyone sees and continue to see and experience for the duration of any time at the resort.

Your Board has been studying this issue closely and will work closely with the Roads Committee to determine the best course of action lying ahead. What we can tell you is that any savings we experience from not maintaining the golf courses will be needed in meeting the expenses of bringing our roads up to the standards they should be.

In summary, your Board is charged with a fiduciary responsibility to address the needs of all property owners. That responsibility entails looking at not only specific issues but the inter-relationship between and among issues. Said another way, we have to look at the Big Picture, and that Big Picture has many, many more considerations than simply reducing maintenance fees because we are not currently maintaining the golf courses.

Instead, we are focusing on planning for and addressing **all** of the infrastructure maintenance and replacement needs that affect property values and the desirability of White Bluff. The Long Term Planning Working Group (LTPWG), headed by Marshall Snyder, will hold its first meeting on September 28th to begin addressing these issues and working with the Board of Directors to develop a plan. Input from property owners will be an important part of this process, and we hope that interested property owners will express their ideas and concerns during this process.