

original formal letter sent to company - Certified Mail

White Bluff Board of Directors and Executive Management-

August 12, 2007

I'm writing to you in utter disgust with the continued increase in maintenance fees as you continue to reduce the value of being a property owner there at White Bluff. It would not be welcomed, however it would be acceptable if you kept fees the same but decreased services and value OR if you raised fees but also increased amenities or services (value of being a property owner) or pray tell, the value of the land increased! But it is **unacceptable** to continue to increase our fees while continuing to decrease the value of ownership!

We have been [reluctant] property owners for 3 years now (purchased in June 2004). It was barely a value at that time and has become less of a value with each 6 months that passes. We even contemplate what service or rule White Bluff will change next to save them money but deplete the little value left in owning property there. That is how bad it has gotten. Now we feel it is just a money pit with no value to us whatsoever.

Let me run down examples of what I am talking about. Since June 2004, these are the increases we have experienced.

- Annual maintenance fees have gone from \$440 to \$850 (that's a 25% increase, 3 years in a row!). I do not get that increase each year in salary. The cost of living increase each year is 1/10th of that! White Bluff should live/work within the same financial constraints as everyone else. Not doing so simply means they are not managed well and have no respect for where the money comes from.
- Staying one night in your Inn was \$98 for your least expensive room. It is now \$158. That's an 18% increase each year, over 3 years, for a total of 62% increase. Same thing – no new amenities there, just a huge increase.
- We like to golf the Old Course. The Member rates for weekend have increased from \$43 in 2004 to \$55 in 2007. That's an overall 30% increase... and that is for property owners. That is not even close to being a good "member" deal. Club rentals went from \$30 to \$50 (a hefty 67% increase).
- To add insult to injury, at the same time that members pay \$12 more for a round on the Old Course – the general public walk-on only got an increase of \$8. Taking care of the property owners....

Other unreasonable expenses are, of course, your golf cart fees. I'm sure you have heard this from nearly everyone. \$36 per cart for 18 holes is exactly double the average rate for a cart for 18 holes. Being twice what they should be, they haven't had the nerve to increase them in the last 3 years. You also won't allow pull carts, which is a wonderful way to golf and much more affordable. You say the reason you won't allow them is people will pull them too close to the greens (which they might, but put rules around it and consequences!). I believe the real reason is because you wouldn't get the \$36 in cart fees.

Now here are examples of decreased value we've experienced as property owners.

- You've changed the rules such that we can only use 2 of our 3 rounds of golf each month. We used to be able to play 1½ rounds each when we would run down there on a Saturday. The policy now will not allow that. We would stay till Sunday to get our 3rd round, but it would cost us over \$250 to do so (overnight stay, 1 round of golf and cart fees). That's an awfully expensive round of golf. So we give up 1 game each month (or 30% of our golf benefit). When we've complained about this change, we've heard, well, they were doing it "wrong" before, you should have never been able to take 9 holes each on your 3rd free round. But that is exactly how we discussed using the 3 rounds with Jason Whitely and Paul Giokas, who sold us our property. They confirmed that was perfectly fine. So "by the rules" or not, you should have to abide by what your salespeople are telling potential buyers!
- We like to golf the Old Course. In 2004, the Old Course had a grill where we could have lunch, snacks and wide of variety of drinks. You've closed that and now have a refrigerator in the

clubhouse, which is always poorly stocked with cold sandwiches. Usually there aren't any left because of whatever tournament is going on. So we actually have to pack our own lunch from home and bring it to Lake Whitney in an ice chest. You brag about how good your golf course is, but you neglect to tell people to bring your own food and drink, as you won't find those fancy type services here.

- I'm not even going to address the value of our lot, which we paid over \$10K for and was instantly worth no more than \$4K immediately after the sale. We also were NOT told of the \$36 cart fees during the sales pitch. When I discovered how badly we had been misled, I tried to get Paul Giokas to let us out of the deal and he was saying he was "checking into what he could do", as this wasn't but weeks after we purchased. But then he wouldn't return our repeated calls and then we learned that he was no longer there. Convenient way to force people to keep a dishonest deal/contract....just don't call them back and then leave. Yes, we've been unhappy property owners since the sale and we've only gotten unhappier since then, for the reasons I list.

I don't feel like you give members a voice in any of your decisions, but we are the ones most affected by those decisions. We certainly don't get a voice in not having our maintenance fees increased each year. I never got to vote on that! You have dropped a ton of money on the entrance to White Bluff. Had I had a vote, I would have said to leave it like it was. Sure, it is nice, for that kind of money it should be! But it was just not a necessity and wasn't worth raising already high maintenance fees for. I personally don't see the benefit – it is never lined up with cars needing to enter (unless it is a big "Sales" day and lots of prospects are there...but that helps Sales and Double Diamond, not White Bluff Property owners).

We don't get a vote on how you change the golf rules either, we just learn about it after the fact. We didn't get a vote of what services to take away from us (i.e. the Old Course grill). Sure, you brought in Spas and Conference Center amenities (again, something most property owners don't need, but the additional income helps Double Diamond). Are you starting to see the theme?

As we continue to see this degradation in the value of the golf benefits and the land itself, we question why we still have it. This latest increase just adds insult to injury... the gap between our expenses and the value just continues widening.

As for our investment in this fine piece of land? Well, we purchased the lot and golf package for \$19,900. Three years later (and another \$1700 paid in maintenance fees), we could sell the lot and golf package for (if we're real lucky) \$10K. There are White Bluff lots (even on the golf course) not selling on ebay and internet sites for \$5K. That's right, it's a huge investment loss.

We consider your sales tactics dishonest and on top of that you wouldn't follow-up to our very early complaints about these very tactics and the flat out lies we were told. Since then you have raised the price of nearly everything as you take our benefits away at the same time. We feel this is not only wrong – it is more than likely illegal, as is your forced F&B charges.

As such, we're open to two options.

- 1) Reimburse us for our cost and take this package back, as you should have done a couple of weeks after we purchased it. We're willing to look past the few thousand dollars we've paid in maintenance fees, interest and taxes for this poor investment – we just want our \$19,900 returned so we can pay off the overpriced note.

OR

- 2) Basically make right all the wrongdoings you have done over the past 3 years. Reverse the changed rules regarding how owners can use their golf credits, allow pull carts (or cut your cart fees in half), reopen a grille at the Old Course, reduce the maintenance fees by at least 40% and put a limit on the annual increases (something like the cost of living). Also, reimburse us for the ~18 games of golf we were not able to use (our 3rd game credit) because you changed your rules. Do away with the shady forced F&B charges. Enable property owners to vote (via proxy) on any

and all decisions affecting them. If you do all of this (just getting us back to what we thought we bought upon purchasing this land/golf), we will keep the lot, which is worth less than half of what we paid.

We expect to hear back from you within 30 days.

Regards,

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