

**White Water Springs, LLC**  
**7400 East Crestline Circle, Suite 250**  
**Greenwood Village, CO 80111**

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June 13, 2007

Dear POA members:

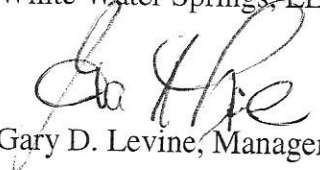
I am pleased to tell you that we are preparing to sell the remaining land in the Whitewater Springs subdivision to two new owners. The new owner of the undeveloped 100 acre tract of land to the south and west of the subdivision (sometimes referred to as Section VII) is an individual and it is our understanding he intends to use the land for his personal use. The new owner and developer of the remaining lots in the Subdivision is acquiring them on behalf of an international investment group and has acquired, managed or sold over \$400 million in real estate assets over the last twenty-plus years. The new developer is contractually obligated to complete the unfinished roads in the subdivision, in accordance with the terms of a settlement agreement between White Water Springs, LLC and some of the homeowners. The new developer will be escrowing funds for road completion with a local title company in accordance with that settlement agreement. The new developer has advised us it is their intention to complete the development of the subdivision and sell the remaining lots.

We believe this is an extremely positive development for the members of the Association and have high hopes that this will result in completion and build out of the subdivision for the benefit of all the members. In order to facilitate this transaction, it is requested that the members of the Association approve amendments to the Declaration of Covenants, Conditions and Restrictions of the subdivision, as more fully explained in a letter you will be receiving separately from the Association's Board of Directors.

In addition, as it will no longer have a material interest in the subdivision, White Water Springs, LLC desires to convey some or all of the common areas it owns in the subdivision to the Association at no cost to the Association. The common areas owned by White Water Springs, LLC include the common reserves, the roads and the common amenities in the subdivision. The LCRA intends to drill up to three test wells within the common reserve area adjacent to Cow Creek. If those wells prove satisfactory, the owner of the common reserve area upon which the wells are located is obligated to convey to the LCRA up to two of the well sites and also convey a sanitary control easement with up to a 150 foot radius around the well site to the extent it is within the common area. In addition, the new developer will have an easement on the common areas in order to build the roads and install utilities in the subdivision. The members of the Property Owners Association are being asked to approve such conveyance.

We hope you join us in looking forward to these new developments at the Whitewater Springs Subdivision and urge you to join us in voting "Yes" on both ballot items. Instructions for submitting your ballot are on the ballot, which is being mailed to you by the POA.

White Water Springs, LLC

  
Gary D. Levine, Manager

January 19, 2008

Dear Whitewater Springs Lot Owner:

As the operating partner for the new ownership group of White Water Springs I want to wish you a blessed new year.

At the December 4, 2007 meeting in Bertram we did not officially have a quorum so we are re-voting on the 2008 budget that was sent to you prior to the December fourth meeting and electing the board of directors.

To update you on our plans for the development we are hoping to start on the low water crossing by the first of February and begin grading the unfinished roads before March, 2008. There may be some delays for re-plating and other issues but our goal is to have the roads completed by the end of 2008.

The new owner, The Madison Group, and I wish to thank all of the volunteers and POA members for their assistance and sacrificing their time to improve the development.

If you have any questions please send me a letter to 5540 Silver Falls Lane, Frisco. Texas 75034.

Sincerely,



Michael J. Klement  
The Klement Companies