

Dear fellow members and property owners,

It has come to the Horseshoe Bay Declarant's and the Resort's attention that there is incorrect information circulating about the Declarant's recent actions against the HSB POA Board. It is essential for our community to understand these actions against the HSB POA Board were necessary to protect our common interests and preserve the community we all hold dear.

The Hurds, our founders, established the Declarations of Covenants, Conditions, and Restrictions (CC&Rs) to ensure this harmonious relationship. As a result, over decades, all the numerous POAs that constitute the City have worked in harmony with the Declarant and amenities owner (the Resort). Those covenants outline the obligations and rules that all parties (property owners, POA, and Declarant) are to abide by to ensure that the infrastructure and grounds are maintained to the highest standard, protecting the home values of the property owners. Consequently, over the last 50 years, all of us who share the same values and desire the resort lifestyle that the founders envisioned have made Horseshoe Bay our home.

Earlier this year, the Declarant was made aware of numerous breaches by the current HSB POA Board while it was working with the Board and its President to ensure continuity of maintenance and care of the entrances and boulevards of Horseshoe Bay proper and Horseshoe Bay West; both of which are the responsibility of the POA. It was made very apparent during these meetings that the POA board had no interest in abiding by or adhering to the bylaws of their charter. As such, the Resort has been forced to incur the financial burden of this maintenance despite the Association's threats to cut funding and/or ignore its obligations to maintain these areas to a similar standard. In fact, it is the POA President's position that the entrances and boulevards are over-landscaped and should be reduced to "mow and blow" standards. This is not the quality of care our community expects or deserves. The current Board of the HSB POA has deviated grossly from those covenants, taking actions outside their scope of authority and affecting our founders' high-quality resort lifestyle.

Although not its focus, during this gruesome negotiation process, the Declarant has uncovered evidence of further financial misconduct, negligence, unauthorized expenditures, and mishandling of funds. These actions not only go against the principles established by the founders but also undermine the trust and integrity of the community.

The Declarant has a duty to ensure HSB POA abides by the obligations outlined in the Declarations of Covenants, Conditions, and Restrictions. Any deviation from these obligations by the HSB POA Board cannot be ignored, and appropriate legal action will be taken. When that happens, per the Covenants, it is the Declarant's obligation and entitlement to step in and take appropriate action. This mandates the immediate dismissal and revocation of their Resort membership as required by the Declarations. These actions of the Declarant and Resort are not taken lightly and without thoughtful consideration. While it might not be the popular decision, it is the right one.

Since the establishment of Horseshoe Bay Resort and the City of Horseshoe Bay, all stakeholders have respected the rules and regulations governing this wonderful community. It is through this cooperation, mutual respect, and system of checks and balances that our City has flourished and will continue to do so for decades to come.

Sincerely,

Horseshoe Bay Resort Development, the Declarant

Jordan Jaffe