

August 28, 2017

TO: White Bluff Property Owners  
FROM: Your Board of Directors Litigation Committee  
Leonard Critcher, John Bass, Jim Fletcher, Mike Ellis  
RE: **Litigation- The Cliffs at Possum Kingdom**

**Individual property owners at The Cliffs have filed a lawsuit against Double Diamond, Double Diamond Management Corporation, Double Diamond Utilities, and Mike Ward. Cause #C47833 was filed on July 5, 2017 in the Palo Pinto County District Court, 29<sup>th</sup> Judicial District.**

The suit is similar in several respects to what the WBPOA filed in Hill County. The individual plaintiffs are suing the above entities claiming:

Double Diamond collects maintenance fees on behalf of the **Cliffs POA** and does not adequately use the fees for promised maintenance of facilities.

The development period has far exceeded the time frame when declarancy should be turned over to the **Cliffs POA**.

Double Diamond has been guilty of self-dealing and will not release financial accounting records.

Double Diamond and Mike Ward have manipulated the voting process of the **Cliffs POA** and will not release POA membership database information.

Double Diamond and the **Cliffs POA** had a management agreement that has expired yet DD continues to manage the affairs of the POA, collect its maintenance fees, and totally control the POA's money.

The Golf Course Maintenance Agreement between Double Diamond and the **Cliffs POA** expired on 12/31/2015. Double Diamond continues to take approximately \$1,000,000 of **Cliffs POA** money it collects and controls and uses it to maintain the golf course Double Diamond owns, done with no agreement in effect.

The governing documents specify that the **Cliffs POA** is to "own and operate the water and sewage" utilities. It does not, and Double Diamond refuses to turn over the operations to the POA as stipulated.

The quality and quantity of water provided to property owners is inadequate and substandard. The TCEQ has issued numerous violations, and Double Diamond regularly sends out "Boil Notices" telling property owners that the water provided must be boiled before using.

Double Diamond directs how **Cliffs POA** road maintenance funds are used, specifying that roads be improved in areas of the development that are in proximity to undeveloped lots being sold by Land Sales. The suit contends that these funds should be used to repair and maintain roads most used by property owners.

Double Diamond does not pay its fair share of maintenance fees. Over 600 lots owned by Double Diamond pay only \$1 each in fees.

Mike Ward continues to serve on the **Cliffs POA** Board of Directors even though his term of office expired two years ago.

Double Diamond includes proxy forms in maintenance fees billings “from” the **Cliffs POA**. These proxy forms grant proxies to Double Diamond.

Double Diamond refuses to release the **Cliffs POA’s** money, provide financial accounting, release property owner database, and identify property owned by the POA.

Double Diamond is accused with Fraud in Real Estate Transactions.

**This email is meant for informational purposes only. No representations are made as to the validity of the above by the WBPOA Board of Directors, the WBPOA Litigation Committee, nor any individual Board member.**