

January 26, 2018

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: Double Diamond Solicitation of Proxies

You have or will soon receive a lengthy letter from Mike Ward asking for your proxy.

IT APPEARS THAT MIKE WARD WANTED YOU TO BELIEVE THAT THE COMMUNICATION WAS FROM THE WHITE BLUFF POA. IT IS NOT! IT IS FROM MIKE WARD, NOT THE WHITE BLUFF PROPERTY OWNERS ASSOCIATION. YET ANOTHER MIKE WARD DECEPTION.

The content of the letter contains numerous misrepresentations, which are addressed below. Mike Ward also indicates that he wants your proxies in order that he can call a Special Meeting with the probable intent of ousting your Board, replacing the nine elected Directors with Double Diamond people, and pushing through his previously proposed Country Club agenda.

This communication from your Board will address the misrepresentations as well as re-visit the potential devastating effect a Country Club concept could have on you individually as well as White Bluff. We ask that you read this communication carefully and in its entirety. The future of White Bluff depends on it!

Mike Ward Misrepresentations

1. Mike Ward said, "...your board set aside the arrangement under which Double Diamond and each of the White Bluff property owners have operated for over 25 years."

The POA provided funds to maintain the golf courses under a Use & Maintenance Agreement that expired on 12/31/2015. That agreement was renewed for six months by mutual consent, and the Board offered an additional 90-day extension while negotiations for POA acquisition of White Bluff assets continued. Mike Ward refused to extend the agreement. The Board then asked the Hill County District Court to determine if the POA was OBLIGATED to fund golf course(s) maintenance. The court ruled the POA had no obligation. The

Board did not “set aside the arrangement;” it expired, and Mike Ward refused to extend it.

2. Mike Ward said, “(Hill County Court) rulings do not in any manner improve, or contribute to the improvement of the present situation at White Bluff.”

The numerous Court rulings, all of which were in favor of the POA accomplished several things for the immediate and long-term welfare of White Bluff.

- A. Mike Ward was removed as Declarant, meaning he could no longer make unilateral dictates without any property owner input.**
- B. Mike Ward’s 6th Amendment to the POA By-Laws was rescinded.**
- C. Effectively, Mike Ward’s 7th Amendment to the POA By-Laws was rescinded. This amendment would have given Mike Ward absolute and total control over determining the validity of all proxies.**
- D. Double Diamond was ordered to provide YOUR financial records to the POA. They have steadfastly refused to do so and have been held in Contempt of Court THREE times.**
- E. Double Diamond was ordered to give the POA property owners billing information and property owner database information. Compliance with this ruling was drastically delayed, and the information ultimately given was wrought with errors and incomplete data.**
- F. Double Diamond was ordered to release the \$1,125,000 of POA funds it improperly removed from the POA bank account and deposited in a Double Diamond account without POA authorization. These funds have been deposited in a WBPOA account along with a Double Diamond check in the amount of \$45,000 for court-ordered reimbursement of Attorneys Fees.**

3. Mike Ward said, “As further evidence of the Board's misguided actions, we have proof that members of the Board committed fraud in the conduct of last year’s White Bluff Property Owners Board of Directors election process.”

In the last court hearing held in Hill County District Court, attorneys for Double Diamond detailed their “evidence” of fraud to the Judge. The ruling from the Judge indicated there was no fraud.

4. Mike Ward said, “your Board has fought (using your money) to prevent the review by property owners of the proxies they received”

The Board fought to prevent DOUBLE DIAMOND from reviewing the private property owner information on the proxies. The court also ruled that Double Diamond must pay the POA’s attorneys fees.

5. Mike Ward said, “A review of the redacted proxies reflects evidence of forgery,

miscounting of votes, invalid disqualification of our proxies, and other material discrepancies.”

The Board hired the Dallas CPA firm of Timothy, Devolt & Company to conduct the election of Directors at the May, 2017 Annual Meeting, verify ALL proxies for compliance with state law, tabulate the votes, and certify the election. Sam Timothy, CPA personally appeared in Hill County District Court and testified to the total validity of the entire election process.

6. Mike Ward said, “The 2018 budget - which is online - provides an increase in spending of nearly \$1,000,000. Over \$750,000 of that amount is management and payroll.”

The increase in spending is primarily due to our budgeting \$2.5M for completely replacing White Bluff Drive and Golf Drive. Yes, we have a payroll that covers all of the POA employees performing all the required maintenance of common properties, 24/7 Security, and maintenance of POA-owned properties.

7. Mike Ward said, “...less than acceptable services (e.g., NOT enforcing the restrictions, mowing is not done, no street repairs, etc.).”

Restrictions are being enforced as a result of a concentrated and well-communicated effort from the Board for Rules Compliance. Mowing has been consistently done, and much needed repairs performed for roads has been addressed. Most of the roads repairs were due to Double Diamond Utilities saw cutting POA roads without permission. The Board commissioned a full, professional engineering study for the replacement of the 62 miles of roads in the property. The Board has approved the plan, and bids have been requested on Phase One described above.

8. Mike Ward said, “Your board eliminated the resort credit program,”

THIS Board did not eliminate the Resort Credit Program. A previous Board, on which Mike Ward served, eliminated the program because of a ruling made against Double Diamond, Mike Ward, several Double Diamond executives, 4 POA Board Directors and the POA. That Board left the maintenance fees at the same level in order to pay legal expenses associated with that lawsuit.

9. Mike Ward said, “Fees have been dramatically increased on out-of-state owners.”

Simply not true. The fees have remained constant for years. All increases in fees occurred when Mike Ward was on the Board.

10. Mike Ward said, "The job of the board is to act in the best interest of owners."

Absolutely, and this Board understands their fiduciary responsibility. It was Mike Ward who chose to defer property maintenance and destroy the greens on the golf courses by removing the greens covers the POA put on the greens and let them freeze.

11. Mike Ward said, "To date, no response has been received from your board nor has any effort been made by them to reach any sort of resolution."

Three things should be noted. First, it was the Board that made the first proposal to Mike Ward; he did not respond to our proposal. Second, we communicated that we had contracted for a professional appraisal that would be used as a base line for resolution; Mike Ward ignores this integral and necessary part of the process. Third, the appraisal has taken longer than anticipated due to the current actions of Mike Ward; i.e., letting the greens freeze, locking up POA water pumps, and other actions causing further deterioration of property being valued.

12. Mike Ward said, "I am committed to returning White Bluff to its former status as a first-rate resort.

It is the Board and its supporters that are committed to Making White Bluff Great Again. Mike Ward's history of extensive deferred maintenance of Double Diamond properties has caused their excessive deterioration. The Board's implementation of its plan to refurbish POA-owned properties is indicative of its commitment to making White Bluff Great Again. Work will begin within a week on completely refurbishing the Lone Star Room, then the balance of our properties, and the extensive and well-structured plan of replacing 62 miles of roads will begin as soon as the bidding process has been completed.

Mike Ward's Solution- A Country Club

It's been almost a year since Mike Ward tried to illegally call a special meeting to ram through his country club proposal. The court ruled the meeting was improperly called.

It was a bad idea then, and it's a bad idea now. Mike Ward's intent is to oust YOUR Board, replace it, take over complete control of your investment and your future. Mike Ward's Board (in his own words) would be totally controlled by Double Diamond people. Property owners would only have an ADVISORY status.

Lower fees? Mike Ward would have unlimited authority to ASSESS ALL PROPERTY OWNERS over and above any fees/dues to refurbish Double Diamond properties.

Think about what has negatively transpired in the past few months and the person who made those decisions. Do you really want that person to be in total control of your future and that of 6,000+ other property owners? Your Board does not believe you do.

We can resolve this situation and believe that Mike Ward would also prefer resolution. As soon as your Board has a baseline for negotiations, we welcome a face-to-face meeting with an agenda that includes only resolution. But, at this point we ask property owners to seriously consider the following:

- 1. NOT granting your proxy to Mike Ward.**
- 2. Consider supporting the Board by granting us your proxy.**

Please go to www.whitebluffpoa.com, click on Official Proxy Form, and follow the directions that pop up. We sincerely wish to Make White Bluff Great Again and create an atmosphere in which we can all enjoy what we bought into and Mike Ward can have monetary success by selling his remaining lots.