

July 9, 2016

TO: White Bluff Property Owners
FROM: Your Board of Directors
Leonard Critcher, President
RE: Double Diamond Lawsuit Response

Your Board would like to address the elements of Mike Ward's response to our communication in which you were notified that the POA has filed suit against Double Diamond.

First, contrary to the purported subject matter in Mr. Ward's response there was no DD response given to the specifics of the lawsuit that was filed.

In the Board's communication, I presented a layman's detailing of the specifics of the suit, but Mr. Ward chose to ignore responding to anything to do with the lawsuit with the exception of referencing an unrelated 2011 lawsuit, which was brought by certain property owners, not the POA. He further states that your Board thinks "another lawsuit, filed June 2016, is the answer." To equate the two lawsuits is ludicrous and a total mischaracterization of the facts. Your Board does think our lawsuit is "the answer." There are two reasons.

First, your Board is seeking guidance from the Court regarding maintaining the golf courses with POA funds. We were placed in this position because the Use and Maintenance Agreement (which formally established the maintenance of the golf courses and other properties by the POA) expired on 12/31/2015. It was temporarily extended by mutual agreement for an additional six months and approved for an additional ninety days by the POA. Double Diamond refused to sign the last extension, so your Board had no choice but to seek guidance on what to do.

Second, your Board is requesting that the Court remove Double Diamond as Declarant for White Bluff as well as declaring the sixth amendment issued by the Declarant as null and void. We believe this action is long overdue and that the interests of property owners would be better served by not having a single person continue to make unilateral decisions that affect over 6,000 property owners.

Relative to Mr. Ward's assertion that the POA "has been attempting to purchase (the amenities) from Double Diamond," this is not true.

Your POA ATTEMPTED to purchase said amenities, an agreement was reached, and Mr. Ward refused to sign the contract agreed to. That is past tense, and "has been attempting" suggests that the POA is continuing in its efforts in the present tense. Not true. Negotiations ceased when Mr. Ward refused to sign the contract.

Regarding Mr. Ward's statement that he has made an offer to the POA to give us the assets in exchange for a 12-year management fee, reflective of one-half the cost of purchasing the amenities, this is absolutely not true.

I have been on the Board since May, 2015 and President since May, 2016, and no proposal has been made to the Board. In fact, Mr. Ward did not attend a single Board meeting during his last year as a Director, much less make a proposal to the Board.

"Which offer do you think is in your best interest?"

There has been no offer, only a vague reference by Mr. Ward to something that was going to be presented to property owners "within a few days" after the Annual Meeting in May. A "few days" have passed, and the Board has let it be known in open communication that we would certainly entertain any proposal and assess its value from our perspective; however, nothing has been proposed by Mr. Ward.

Mr. Ward suggests that "there is something wrong with (the WBPOA Board)" because a quorum was not obtained at the Annual Meeting.

The reason there was no quorum was that Mr. Ward withheld his votes/lots minutes before the meeting began. Your Board will make sure that this dependency on his votes/lots is not an issue in the future. One thing we will be doing is securing our own proxies instead of having them go to DD for recording.

This the second time that Mr. Ward has made statements about the Board that seem to impugn the character of the Board and its members. While we can agree to disagree, I take personal offence at this, both for myself as well as the other Board members who give unselfishly of their time for the betterment of our community.

Other than the gross misstatements, probably the most alarming element in his response is the suggestion that a "change in the governance at White Bluff" should be effected.

The simple response to this is, Why? For the first time in the history of our community the Board is totally comprised of property owners, totally independent of Double Diamond and none of whom are employed by Double Diamond. Does anyone not associated with Double Diamond really believe going back to the way things were is the answer?

Mr. Ward referenced a "bright future" in his vision of the way things should be. The simple question is- Does this "bright future" place all decision making back into his hands? Is this really what White Bluff property owners want?

On behalf of your Board, I do sincerely want to thank you for your widely expressed support and positive comments.