

October 20, 2017

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: Closure of White Bluff Hospitality Facilities

Mike Ward sent out an email earlier this afternoon indicating that he plans on closing hospitality facilities effective November 6th. In his communication Mr. Ward makes certain allegations that your Board feels the necessity of clarifying.

Contrary to what is indicated in the first paragraph of Mike Ward's email, the Board NEVER received any indication that if there was no "clear progress" in the acquisition of assets that he would "be forced to close all White Bluff hospitality facilities."

The fact is that the POA made a reasonable offer for the acquisition of assets to Mike Ward in July. He never responded. The further fact is that Mike Ward's legal counsel indicated to our legal counsel over a month ago that Mike Ward was ready to make an acquisition offer to the POA in order to settle current litigation between the parties. No offer has been received. It is very difficult to make "clear progress" when one of the parties won't come to the table but chooses to blame the other party for his actions.

Mike Ward never asked the POA for "an agreement that called for the POA to maintain the courses until there was a final judgment in the Hillsboro District court cases."

The Board made the decision to cease funding the maintenance of the golf courses because of two previously communicated reasons. The judge in Hill County District Court ruled that the POA was not obligated to maintain the golf courses, and Dallas County Judge Slaughter had said in her ruling that it was improper for the POA to use POA funds to maintain the courses. Mr. Ward seems to forget that the POA offered to extend the Use & Maintenance Agreement, and he refused. An extension would have obligated us to fund maintenance, but this avenue was closed by him.

It is the position of the Board that we wish to acquire the White Bluff assets and are prepared to do so in a fair, equitable and timely manner. We fully realize that we

represent 6,000 property owners and must make decisions based on what is in their welfare and best interests, and that does not include succumbing to threats and false statements. Your Board is ready, willing and able to entertain a valid and realistic offer from Mike Ward. We have so indicated on numerous occasions with the only stipulations that it be reasonable and that it be signed by Mike Ward. We sincerely hope that he will respond with a positive, signed offer on a timely basis so that the lives of many innocent and dedicated DD employees will not be affected by a closure. We will devote whatever time is necessary to try to effect a resolution.

One last thing you and Mike Ward should also be aware of. We hired FirstService Residential for several reasons, one of which was to have a quality management firm on board if and when we were able to take over the full operations at White Bluff. FSR is fully prepared to take over the functions of hospitality inclusive of golf course maintenance. They have the experience that is needed. Your Board has the desire to make a reasonable deal that will allow them to do so.