

December 30, 2016

TO: All White Bluff Property Owners
FROM: Your Board of Directors
Leonard Critcher, President
RE: Litigation Update

As was reported to you previously, the WBPOA filed a lawsuit against Double Diamond in Hill County. In a nutshell this lawsuit asked that the court direct Mike Ward/Double Diamond to relinquish all alleged declarancy rights (Mike Ward's ability to make all decisions regarding WB unilaterally) and grant them to the POA. The suit also asked the court for guidance regarding maintenance of the golf courses following the expiration of the maintenance agreement between DD and the POA on 12/31/2015. The maintenance agreement was mutually extended for six months; however, Double Diamond refused to sign the offer from the POA for another extension. This lawsuit has been amended.

On December 5, 2016 I mailed a Certified, Return Receipt Letter to Mike Ward, President of the Double Diamond Companies. In this letter I formally notified Mike Ward that a contract had been executed between the POA and FirstService Residential (FSR) to provide management services for the POA. I informed Mike Ward that a transition representative from FSR would be contacting Stack Bowers, VP of Hospitality for Double Diamond, to initiate the process of transferring management services from Double Diamond to FSR. As a courtesy, I also notified Double Diamond executives, Stack Bowers, Kevin Shea, and Jeff Schmidt by email that the letter had been mailed. In this email I asked for DD's cooperation and offered to discuss any and all aspects of the transition with DD.

I received no response from any DD executive.

Mr. Bowers scheduled no meeting or conversation with the FSR transition representative citing "it is a busy time of the year."

On December 20, 2016 a Certified Demand Letter was delivered to Double Diamond in-house legal counsel, Jeff Schmidt. This letter demanded that Double Diamond do the following by December 27, 2016:

- Provide the database of the names and physical mailing addresses of all members of the WBPOA.
- Transfer WBPOA funds, being held by Double Diamond, to FirstService Residential Management Company. This demand also stipulated that Double Diamond retain sufficient funds in its control to meet budgeted expenses until which time the transition from DD to FSR could be made.
- Double Diamond did not comply with either of the two demands.
- The pending lawsuit in Hill County has been amended. The WBPOA is asking the court to force Double Diamond to transfer POA funds away from DD's control and force Double Diamond to provide the names and physical mailing addresses of all members of the WBPOA. Your Board will certainly keep you apprised of on-going developments in this and other vital issues currently facing our property owners.