

December 5, 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: Hill County District Court Hearing

A hearing was held on 12/04/2017 in Hill County District Court beginning at 1:30 PM. The WBPOA was seeking a Contempt of Court ruling against Double Diamond for failure to comply with the court-ordered production of discovery records inclusive of POA financial records, answers to submitted interrogatories and requests for admission.

After listening to arguments from counsel for the POA, counsel for Double Diamond, and testimony from Double Diamond's CFO, the court ruled the following:

Double Diamond was in contempt of Court.

Double Diamond failed to comply with a court order.

Double Diamond was fined \$10,000.

Double Diamond was ordered to pay Attorney's Fees in the amount of \$14,950.

The above total of \$24,950 must be paid in a Cashiers Check made out to the WBPOA within ten (10) days of the ruling. If payment is not made as ordered, the fine will continue to accrue at \$500 per day until paid.

If Double Diamond appeals the ruling, the court ordered a payment to the WBPOA for Attorney's Fees incurred.

If an appeal goes to the Texas Supreme Court, the court ordered an additional payment to the WBPOA for Attorney's Fees incurred.

Double Diamond was ordered to fully comply with the production of all court-ordered discovery items by 12/29/2017. If Double Diamond does not comply with this order, the court reserved the right to order Mike Ward and General Counsel Jeff

Schmidt to appear before the court and explain why compliance was not done and why they should not be held in contempt of court.

Your Board is very pleased with this outcome and will continue in our efforts to bring resolution to the current situation.