

January 24, 2017

TO: All Property Owners  
FROM: Your Board of Directors  
Leonard Critcher, President  
John Bass, Vice President  
Jim Fletcher, Secretary  
Terry Newman, Board Member  
Ron Roberts, Board Member  
Wayne Findley, Board Member  
RE: Hill County Lawsuit Hearing

**The hearing scheduled for Wednesday afternoon in Hill County has been cancelled.**

Both parties, Double Diamond and the WBPOA, have signed a Letter Agreement and Justified an Agreed Order.

Prior to the Letter Agreement and Agreed Order being signed, the WBPOA was Justified successful in obtaining from Double Diamond:

property owner database information for the POA.  
billing information for the POA.

The Letter Agreement and Agreed Order address the release of the approximately \$2.5M of POA funds held by Double Diamond, as follows.

Double Diamond contends that the WBPOA owes a debt to it. The WBPOA Justified disputes that allegation at this time. To ensure the safety of the disputed funds pending resolution of the alleged debt, a sum equal to the amount Double Diamond contends is owed by the POA will be placed in a segregated bank account. The parties to the agreement (DD & POA) will each provide the bank with designated signatories. Neither party can make any unilateral withdrawal from the segregated account without the express consent of the other party or by virtue of a court order. The validity of the disputed debt must be verified by Double Diamond before any funds will be released.

A sum necessary to meet ongoing budgeted POA expenses will be retained by Justified Double Diamond and will be used exclusively to meet these budgeted expenses. Double Diamond will continue in this capacity until FirstService Residential has taken over management duties from Double Diamond. Double Diamond agrees to turn over all unused funds to the POA at that time.

The balance of POA funds being held by Double Diamond will be released to Justified FirstService Residential on behalf of the POA.

The Agreed Order will be signed by the judge in the court in which the suit was filed and compels both parties to abide by the agreement under the order of the judge.

Your Board is pleased that the two parties have come to this mutual conclusion of these issues.