

March 1, 2017

TO: White Bluff Property Owners  
FROM: Your Board of Directors  
Leonard Critcher, President  
RE: Contempt of Court Hearing

A hearing was held this morning in the 66<sup>th</sup> Judicial District Court in Hill County. The White Bluff POA had requested the hearing in order to enable the court to determine if Double Diamond was in contempt of court for not complying with the Rule 11 Agreement signed by Double Diamond on 01/26/2017.

The brief chronology of events leading to this hearing is as follows:

12/20/2016 A Demand Letter was sent to DD by the WBPOA demanding, in part, that DD immediately release WBPOA funds.

ON THE SAME DATE DD unilaterally and without authorization transferred \$1.125 million from the WBPOA account into a DD operating account.

01/26/2017 The agreement referenced above was signed by DD and the POA. The agreement specified that the disputed amount of \$1.125 million would be placed in a new account on which both DD and the POA would file as signatories.

02/01/2017 DD confirmed that the disputed funds had been deposited in a segregated account as per the Court's Order. DD omitted the fact that the account had been titled, **White Bluff Country Club**.

02/06/2017 The POA communicates to DD that the segregated account should be titled "**Double Diamond and White Bluff POA.**"  
**Counsel for DD emails counsel for the POA and says, "Double Diamond will contact the bank this week and change the name to "Double Diamond and White Bluff POA."**

02/08/2017 The POA requests confirmation of the corrected titling of the account.

02/16/2017 The POA again requests confirmation of the corrected titling of the account.

02/21/2017 Counsel for DD informs counsel for the POA that the account has been titled, **White Bluff Club Corp. Holding for White Bluff POA.**

It should be noted, as it was to the Court, that the parties to the existing litigation in Hill County are Double Diamond and the White Bluff POA. The White Bluff Country Club and White Bluff Club Corp are not parties to the existing litigation

and furthermore, neither has any connection to or with the WBPOA. When questioned as to why DD titled the account using these unrelated entities, counsel for DD did not know.

After hearing arguments the Judge postponed making a decision on the contempt of court assertion. He also instructed to Double Diamond to have the segregated account titled under the names Double Diamond, Inc. and White Bluff POA. He gave Double Diamond 14 days to comply. If compliance is not made the Judge will instruct all parties to reappear before the Court.