

November 9, 2017

TO: White Bluff Property Owners  
FROM: Your Board of Directors  
Leonard Critcher, President  
RE: Hill County District Court Hearings  
Lakelander article

Three hearings were held today in Hill County District Court.

The POA was seeking a Summary Judgment ruling that the \$1.125M of POA funds being held in a disputed account should be released. The POA is contending that Double Diamond had previously transferred these funds from a POA account to a Double Diamond account without authorization to do so. Double Diamond is contending that it was permissible to seize these funds because of an assumed indebtedness. The seizure of the funds occurred the day on which Double Diamond was informed that the POA was removing Double Diamond as its management company and replacing it with FirstService Residential (FSR). The court will render its ruling after due consideration of the arguments presented by counsel for both parties.

The POA requested that the court require Double Diamond VP and Double Diamond Utilities President, Randy Gracy, be deposed. The court ruled that Randy Gracy will be deposed subject to parameters set by the court.

In a third hearing Double Diamond requested that the court rule that the POA must allow Double Diamond to be provided with all proxies registered with the POA prior to the Annual Meeting held in May, 2017. The court will render its decision after due consideration of the arguments presented by counsel for both parties.

When the court has ruled on the two pending issues, we will promptly inform all property owners.

On a separate note, the local Lake Whitney weekly newspaper ran a front-page article on the closure of all White Bluff hospitality amenities by Double Diamond on Monday, November 6<sup>th</sup>. If you would like to read the article Google- Lakelander.