

December 26, 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: Appeal of Contempt of Court Ruling

Hill County District Court had previously ruled that Double Diamond was in contempt of court. This ruling included a fine of \$10,000 and an order to pay attorney's fees to the POA in the amount of \$14,950. The above were not paid by Double Diamond within the mandated ten days, and an additional fine of \$500 per day is accruing. The court also ruled that if Double Diamond appeals its ruling, the POA will receive an additional \$20,000 in attorney's fees if the appeal is unsuccessful, and if the ruling is appealed to the Texas Supreme Court the POA will receive an additional \$20,000 in attorney's fees if the appeal is unsuccessful. The POA has subsequently filed a third motion for Contempt of Court.

Late Thursday afternoon (12/21) Double Diamond filed an appeal in the Waco Court of Appeals. The filing asked the appeals court to "stay" the order from the Hill County District Court while the appeals court considered Double Diamond's request to overturn the ruling made in District Court.

Late Friday (12/22) the Waco Court of Appeals DENIED all relief sought by Double Diamond. Additionally, the appeals court ordered Double Diamond to pay all Court of Appeals court costs.

Counsel for the POA has made demand of Double Diamond for the sum of \$48,950, which reflects the following:

\$10,000 fine from the District Court

\$14,950 attorney's fees from District Court

\$ 4,000 accrued daily fines

\$20,000 attorney's fees to which we are arguably entitled for DD's unsuccessful appeal of the contempt order

The next date of significance is December 29<sup>th</sup>. It is on this date that Double Diamond is ordered by the District Court to produce the POA financial records requested by the POA many months ago.

Your POA will keep you informed on this and other issues that may arise.