Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan
DOUBLE-DIAMOND DELAWARE, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2006

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
DOUBLE DIAMOND-DELAWARE INC.

12720 HILLCREST RD
SUITE 400
DALLAS, TX 75230

2b Employer Identification Number (EIN)
52-2017265

2c Plan Sponsor's telephone number
214-706-9801

2d Business code (see instructions)
531310

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2024	FRAN PFEIFLE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2024	FRAN PFEIFLE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

c Plan Name

4b EIN

4d PN

5	Total number of participants at the beginning of the plan year	**5**	676
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	256
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	226
b	Retired or separated participants receiving benefits	**6b**	43
c	Other retired or separated participants entitled to future benefits	**6c**	397
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	666
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	5
f	Total. Add lines **6d** and **6e**.	**6f**	671
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	624
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	618
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	23
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2I 2O 2Q 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- **(4)** [ ] **DCG** (Individual Plan Information) – Number Attached 0
- **(5)** [ ] **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) – Number Attached _____
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2023** **This Form is Open to Public Inspection.**

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan	**B** Three-digit plan number (PN) ▶	
DOUBLE-DIAMOND DELAWARE, INC. EMPLOYEE STOCK OWNERSHIP PLAN		002
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
DOUBLE DIAMOND-DELAWARE INC.	52-2017265	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2023

This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan
DOUBLE-DIAMOND DELAWARE, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DOUBLE DIAMOND-DELAWARE INC.

D Employer Identification Number (EIN)
52-2017265

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reported on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	20000	130047
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	16752	20031
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2697	703
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	6844451	6014820
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	6883900	6165601
Liabilities			
g Benefit claims payable	1g	28655	136584
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	28655	136584
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	6855245	6029017

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	635558	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		635558
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	84	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		84
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-829630	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-829630

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		3318
d Total income. Add all **income** amounts in column (b) and enter total	2d		-190670
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	635558	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		635558
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		635558
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-826228
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HEXT & ASSOCIATES, PC **(2)** EIN: 75-2053526

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) [ ] This form is filed for a CCT, PSA, DCG or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e Was this plan covered by a fidelity bond?	**4e**	X		4000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ..... ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2023

This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan
DOUBLE-DIAMOND DELAWARE, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DOUBLE DIAMOND-DELAWARE INC.

D Employer Identification Number (EIN)
52-2017265

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 52-2017265

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation._____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/_____ (MM/DD/YYYY) and the Opinion Letter serial number_____.

Double Diamond-Delaware, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2023 and December 25, 2022
with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Double
Diamond-Delaware, Inc.

Opinion

We have audited the consolidated financial statements of Double Diamond-Delaware, Inc. and Subsidiaries (collectively referred to as the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of income, shareholders equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

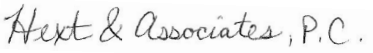
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

The financial statements of the Company for the year ended December 25, 2022 was audited by another auditor who expressed an unmodified opinion on those statements on January 18, 2024.



Dallas, Texas
September 4, 2024

DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	December 31, 2023	December 25, 2022
Assets		
Cash and cash equivalents	$ 23,686,913	$ 12,552,713
Accounts receivable, net	4,770,373	2,911,203
Inventory	61,311,689	49,595,941
Prepaid expenses and other assets	2,804,358	2,739,321
Restricted cash	1,877,442	2,397,471
Investment	5,006,800	22,000,000
Notes receivable - mortgages, net	205,745,598	199,667,006
Notes receivable - other	42,052	997,305
Accrued interest	671,799	671,799
Advances to affiliates, net	6,735,359	9,864,314
Operating lease right-of-use asset, net	2,072,013	2,351,436
Finance lease right-of-use asset	1,488,094	1,314,272
Property and equipment, net	15,044,385	13,152,315
Total Assets	$ 331,256,875	$ 320,215,096
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable	$ 3,162,399	$ 2,590,820
Accrued expenses	2,758,543	2,563,032
Deferred income	817,298	1,381,125
Deferred insurance recovery	-	5,498,893
Operating lease liabilities	2,286,564	2,407,460
Finance lease liabilities	1,494,898	1,331,269
Notes payable, net	145,753,533	146,776,825
Deferred tax liability	513,783	697,973
Total Liabilities	156,787,018	163,247,397
Shareholders' equity		
Common stock; $0.1 par value; 100,000 authorized, issued, and outstanding shares	1,000	1,000
Additional paid-in capital	3,477,818	3,477,818
Retained earnings	170,974,842	153,474,780
Noncontrolling interest	16,197	14,101
Total shareholders' equity	174,469,857	156,967,699
Total Liabilities and Partners' Capital	$ 331,256,875	$ 320,215,096

The accompanying notes are an integral part of these financial statements.

DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	December 31, 2023	December 25, 2022
Revenues:		
Land and condominium sales, net	$ 39,871,468	$ 44,107,041
Resort hospitality sales, net	8,631,050	5,931,070
Membership dues	2,554,701	2,378,654
Total revenues	51,057,219	52,416,765
Cost of revenues:		
Cost of land and condominium sales	6,080,064	7,967,632
Cost of resort hospitality sales	2,490,852	1,927,027
Repossession expense	3,505,960	1,736,740
Total cost of revenues	12,076,876	11,631,399
Gross Profit	38,980,343	40,785,366
Other operating income, net	2,213,043	2,100,595
Interest income	13,380,233	11,956,239
Total income from operations	54,573,619	54,842,200
Operating expenses:		
General and administrative expense	12,789,544	12,701,128
Salaries and benefits expense	11,538,424	10,985,866
Interest expense	7,770,910	6,909,075
Marketing expense	4,338,114	3,758,867
Sales commissions expense	4,051,805	4,438,833
Depreciation and amortization expense	1,818,825	1,738,456
Occupancy expense	909,735	1,161,287
ESOP compensation expense	525,511	515,000
Total operating expenses	43,742,868	42,208,512
Income from operations	10,830,751	12,633,688
Gain on sale of asset	590,700	104,161
Other non-operating income	1,341,231	-
Gain on insurance settlement	5,366,237	-
Income before provision for state income tax	18,128,919	12,737,849
Provision for state income taxes	60,761	90,867
Net income	18,068,158	12,646,982
Less Net income attributable to noncontrolling interest	2,096	1,465
Net income attributable to controlling interest	$ 18,066,062	$ 12,645,517

The accompanying notes are an integral part of these financial statements.

DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Years ended December 31, 2023 and December 25, 2022

	Common Stock	Additional Paid-in Capital	Retained Earnings	Noncontrolling Interest	Shareholders' Equity
Balance at December 26, 2021	$ 1,000	$ 3,477,818	$ 141,405,263	$ 12,636	$ 144,896,717
Distributions to Shareholders	-	-	(576,000)	-	(576,000)
Net income	-	-	12,645,517	1,465	12,646,982
Balance at December 25, 2022	1,000	3,477,818	153,474,780	14,101	156,967,699
Distributions to Shareholders	-	-	(566,000)	-	(566,000)
Net income	-	-	18,066,062	2,096	18,068,158
Balance at December 31, 2023	$ 1,000	$ 3,477,818	$ 170,974,842	$ 16,197	$ 174,469,857

The accompanying notes are an integral part of these financial statements.

DOUBLE DIAMOND-DELAWARE, INC.
STATEMENTS OF CASH FLOWS

	December 31, 2023	December 25, 2022
Cash flows from operating activities:		
Net income atrributable to controlling interest	$ 18,066,062	$ 12,645,517
Net income atrributable to noncontrolling interest	2,096	1,465
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	1,818,825	1,738,456
Amortization on finance leases	465,873	450,477
Amortization of debt issuance costs	80,314	80,316
Non-cash lease expense	279,423	299,894
Deferred state income taxes	(184,190)	47,978
Provision for repossessions	449,569	1,736,740
Non-cash interest expense	32,675	21,483
Gain on sale of assets	561,864	(104,161)
Change in operating assets and liabilities:		
Accounts receivable	(1,859,170)	(534,634)
Inventory	(11,715,748)	(14,588,041)
Prepaids and other assets	(65,037)	(928,606)
Operating lease cost	(120,896)	(240,000)
Advances to affiliates, net	3,128,955	(2,407,759)
Accounts payable	571,579	703,409
Accrued expenses	162,837	(753,183)
Deferred insurance recovery	(5,498,893)	5,498,893
Deferred income	(563,827)	(246,967)
Net cash provided by operating activities	5,612,311	3,421,277
Cash flows from investing activities:		
Issuance of notes receivable - mortgages	(39,871,468)	(52,075,895)
Investing contributions	-	(22,000,000)
Investing distributions	16,869,598	-
Repayments received from notes receivable - mortgages	33,343,307	44,603,667
Repayments received from notes receivable - other	955,253	1,280,350
Purchases of property and equipment	(4,114,137)	(946,231)
Proceeds from sales	-	7,917,532
Net cash used in investing activities	7,182,552	(21,220,577)
Cash flows from financing activities:		
Repayments of notes payable	(25,488,626)	(31,703,904)
Proceeds from notes payable	24,350,000	33,906,582
Repayment of notes payable - related parties	-	(1,100,000)
Payments on finance lease liabilities	(476,066)	(450,377)
Distributions to shareholders	(566,000)	(576,000)
Net cash used in financing activities	(2,180,692)	76,301
Net increase (decrease) in cash, cash equivalents and restricted cash	10,614,171	(17,722,999)
Cash, cash equivalents and restricted cash at beginning of year	14,950,184	32,673,183
Cash, cash equivalents and restricted cash at end of year	$ 25,564,355	$ 14,950,184

The accompanying notes are an integral part of these financial statements.

DOUBLE DIAMOND-DELAWARE, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)

Supplemental Disclosure of Cash Flow Information	**December 31, 2023**	**December 25, 2022**
Cash paid for interest	$ 7,770,910	$ 6,442,812
Cash paid for state income taxes	$ 179,858	$ 140,000
Right-of-use assets assumed through lease liability	$ 639,695	$ 4,416,079
Lease assumed through lease liability	$ 639,695	$ 4,394,596
Non-cash investing activities:		
Non-cash fixed asset purchases	$ 35,020	$ -
Non-cash financing activities:		
Distributions to shareholders	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Note A Organization and Nature of Operations

Double Diamond-Delaware, Inc. ("DDDI"), a Delaware S corporation, and Subsidiaries (collectively, the "Company"), is a Delaware investment holding company incorporated in 1996. On January 1, 1997, the shareholder of Double Diamond, Inc. ("DDI") and certain affiliated entities exchanged their interests for comparable interests in the Company.

The Company owns properties in Texas and Pennsylvania. The operations of the Company are fully integrated, including the functions of property acquisition, master planning, subdivision platting, lot and condominium sales, design, construction, and operation of amenities (golf courses, hotels, marinas, ski area, restaurants, condominiums, and conference facilities). The operations of the Company also include marketing, sales, finance, legal administration, and mortgage loan servicing. The fiscal year consists of the four-four-five quarterly reporting method. The 2023 and 2022 fiscal years ended on December 31, 2023 and December 25, 2022, respectively.

Note B Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The accompanying consolidated financial statements include the operations of DDDI and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in which the Company directly or indirectly has an interest of 50% or more and/or is able to exercise control over the operations have been fully consolidated as required under the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, Consolidations.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used for financial reporting purposes.

Note B Summary of Significant Accounting Policies - *continued*

Cash, Cash Equivalents, and Restricted Cash

For purposes of balance sheet classification and the consolidated statements of cash flows, management considers time deposits, certificates of deposit, and all highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

The Company maintains cash and cash equivalents at several financial institutions, which at times may exceed federally insured limits. The Company has not experienced any losses on such accounts.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows as of the following dates:

	December 31, 2023	December 25, 2022
Cash and cash equivalents	$ 23,686,913	$ 12,552,713
Restricted cash	1,877,442	2,397,471
Total cash, cash equivalents, and restricted cash as shown in the consolidated statements of cash flows	$ 25,564,355	$ 14,950,184

Restricted cash is mainly made up of escrow deposits. The Company has certain secured financing arrangements and other material contracts that require maintenance of minimum cash balances.

Accounts Receivable

Accounts receivable represent amounts due from customers and third parties originating during the normal course of business and related party transactions. See Note H for further discussion on related party transactions. As of December 31, 2023 and December 25, 2022, there was a reserve of $0 and $0, respectively.

Inventory

Inventory consists primarily of lots held for sale and condominiums held for sale. Inventory is valued at the lower of actual cost or net realizable value. Costs that are directly identifiable with land development projects are capitalized. Costs are allocated to individual lot sales using the relative sales value method. Under the relative sales value method in accordance with FASB ASC 978-330, Real Estate Inventory, cost of sales is calculated by multiplying net sales and cost-of-sales percentage (calculated as total estimated costs of inventory divided by total estimated revenues). Any revisions to estimated costs are reflected in lot inventory and cost of future lot sales.

Note B Summary of Significant Accounting Policies - *continued*

Impairment of Inventory

Management evaluates inventory for impairment when indicators of potential impairment are present. Indications of impairment include, but are not limited to, a decrease in local housing market values and actual or projected cash flow losses. For the years ended December 31, 2023 and December 25, 2022, management has not identified any events or changes in circumstances that may indicate that the carrying amount of inventory may not be recoverable.

Concentration of Credit Risk

The Company sells real estate lots in Texas and Pennsylvania. The Company performs credit evaluations of its customers' financial condition and retains a security interest in lots sold. The Company's notes receivable are spread among many customers, with no material balances due from any one customer. Repossessed lots are added back to inventory.

Notes Receivable

The Company provides financing arrangements in connection with the sale of lots, undeveloped land, and condominiums to buyers in the form of mortgage notes. Mortgage notes are stated at principal balances net of a provision for repossessions. Interest on mortgage notes are recognized over the term of the loan and is calculated on principal amounts outstanding. As of December 31, 2023 and December 25, 2022, interest accrued on mortgage notes totals $671,799 and $671,799, respectively.

Notes receivable are generally due within 20 years. Credit losses from customers have been within management's expectations, and management believes the provision for repossessions adequately provides for any losses.

Provision for Repossessions

Management determines the provision for repossessions based on historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated fair value of collateral, and other estimates that are particularly susceptible to significant changes in the economic environment and market conditions.

Securitization

In 2021, 2018 and 2017, the Company transferred mortgage notes to third party securitization trusts and received a combination of cash and retained interest in the assets transferred. The Company's securitization transactions are accounted for as secured borrowings in accordance with GAAP.

Note B Summary of Significant Accounting Policies - *continued*

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method, with useful lives ranging from 3 to 31.5 years. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lives of the respective leases or the service lives of the improvements. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. The cost of assets sold or abandoned, and the related accumulated depreciation are eliminated from the accounts and any gains or losses are reflected in the accompanying consolidated statements of income of the respective period.

Revenue Recognition

The Company's land and real estate sale revenue is derived from contracts with customers, and the Company determines the appropriate accounting treatment for each contract at its inception. Revenue is earned based upon an agreed fixed price as stated within the sale agreement.

The Company accounts for a contract when: (i) approval and commitment from both parties is obtained, (ii) the rights of the parties are identified, (iii) payment terms are identified, (iv) the contract has commercial substance, and (v) collectability of consideration is probable. The Company considers the above criteria have been achieved upon receipt of a signed sale agreement and the customer has the right to use this asset, therefore the performance obligation has been met by transferring this asset at this point in time.

The Company recognizes resort hospitality revenue for retail and amenities such as restaurant operations, golf courses, marinas, and other amenities, net of discounts, when the services have been rendered. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue. The Company does not have any significant financing components as payment is received at or shortly after the point of sale. Performance obligations related to these amenity services are recognized at a point in time.

The Company requires cash or credit card payment at the point of sale. Accounts receivable attributable to retail and amenity sales represent amounts due from credit card companies and are generally collected within a few days of the purchase. As such, the Company has determined that no allowance for doubtful accounts is necessary.

The Company recognizes membership dues revenue for golf memberships at the time of billing. Members are billed monthly for the golf membership. The transaction price is fixed upon the execution of the agreement. The Company defers any dues received prior to the month due.

Note B Summary of Significant Accounting Policies - *continued*

Cost Recognition

Land acquisition, materials, direct costs, and other indirect costs related to the acquisition, development, and construction of lots and condominiums are capitalized. Capitalized costs are charged to earnings when the related revenue is recognized. Costs incurred in connection with selling and administrative activities are expensed when incurred.

Advertising Costs

The Company expenses all advertising and marketing costs as incurred. The Company incurred advertising and marketing costs totaling $4,338,114 and $3,758,867 for the years ended December 31, 2023 and December 25, 2022, respectively.

Income Taxes

The Company is organized as an S-Corp, so it is taxed as a partnership for federal income tax purposes. As a result, income or losses are taxable or deductible to the members rather than at the Company level; accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements.

In certain instances, the Company is subject to state taxes on income arising in or derived from the state tax jurisdictions in which it operates. The current portion of state income taxes is included in accrued expenses in the accompanying consolidated balance sheets as of December 31, 2023 and December 25, 2022, and totals $482,404 and $362,404, respectively. The Company has a deferred tax liability related to states taxes of $513,783 and $697,973, respectively as of December 31, 2023 and December 25, 2022.

State income tax positions are evaluated in a two-step process. The Company first determines whether it is more likely than not that a tax position will be sustained upon examination. If a tax position meets the more likely than not threshold, it is then measured to determine the amount of expense to record in the consolidated financial statements. The tax expense recorded would equal the largest amount of expense related to the outcome that is 50% or greater likely to occur. The Company classifies any potential accrued interest recognized on an underpayment of income taxes as interest expense and classifies any statutory penalties recognized on a tax position taken as operating expense. Management of the Company has not taken a tax position that, if challenged, would be expected to have a material effect on the financial statements as of or for the year ended December 31, 2023.

The Company did not incur any penalties or interest related to its state tax returns during the years ended December 31, 2023 and December 25, 2022.

Note B Summary of Significant Accounting Policies - *continued*

Investments

Investments consist of investments in debt securities that are held-to-maturity investment securities. When sold, the Company uses a specific identification method to determine the cost of the securities. The held-to-maturity investments consist of investment-grade interest bearing instruments, such as U.S. Treasury notes, which are stated at amortized cost of $5,000,000. The Company does not intend to sell these investment securities. Those with original maturities less than three months are included in cash and cash equivalents in the accompanying consolidated balance sheet. The estimated fair value of these investments, of $5,006,800 approximated their carrying value as of December 31, 2023. The unrealized gain on these investments totaled $6,800 for the year ended December 25, 2022. All investments mature in one year or less.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation of the current year financial statements.

Note C Inventory

The components of inventory as of December 31, 2023 and December 25, 2022, are as follows:

	December 31, 2023	December 25, 2022
Lot inventory held for sale	$ 21,486,019	$ 24,954,916
Work in progress	34,706,799	19,540,362
Condominiums held for sale	5,117,475	5,099,267
Total	$ 61,310,293	$ 49,594,545

The Company estimates that it will incur approximately $25,593,971 of costs to complete development of and improvements to its lot inventory for sale and future lots as of December 31, 2023.

Note D Interest Costs

The Company capitalizes interest cost as a component of the cost of construction in progress. The following is a summary of interest cost incurred for the years ended December 31, 2023 and December 25, 2022:

	December 31, 2023	December 25, 2022
Interest cost expensed	7,224,722	$ 6,828,761
Interest cost capitalized	-	-
Total	$ 7,224,722	$ 6,828,761

Note E Property and Equipment

Property and equipment as of December 31, 2023 and December 25, 2022, are composed of the following:

	December 31, 2023	December 25, 2022
Buildings	$ 18,983,584	$ 20,533,252
Land and land improvements including golf courses	10,637,750	10,637,750
Vehicles and equipment	6,599,096	6,475,567
Furniture, fixtures and equipment	10,790,856	6,934,390
Construction-in-progress	16,761	16,761
Leasehold improvements	84,714	84,714
Capital Lease Assets	332,293	332,293
Total	47,445,054	45,014,727
Less: accumulated depreciation	(32,400,669)	(31,862,412)
Property and equipment, net	$ 15,044,385	$ 13,152,315

Depreciation expense for the years ended December 31, 2023 and December 25, 2022, totals $1,868,671 and $1,738,456, respectively.

Note F Notes Receivable

Mortgages

The Company generally receives mortgage notes from purchasers of lots. Notes receivable are reported net of a provision for repossessions. The activity in the provision for repossessions for the years ended December 31, 2023 and December 25, 2022, is as follows:

	December 31, 2023	December 25, 2022
Beginning balance	$ 3,749,248	$ 3,908,942
Repossession expense	3,505,960	1,736,740
Notes foreclosed or defaulted	(4,268,526)	(3,624,807)
Original cost basis of lots returned to inventory	1,212,135	1,728,373
Ending balance	$ 4,198,817	$ 3,749,248

Mortgage notes receivable, of $4,643,326 and $1,892,415, were delinquent as of December 31, 2023 and December 25, 2022, respectively. The Company determines a note to be delinquent when any payment is 30 days past due. Repossessed lots are recorded on the original cost basis.

The aggregate maturities of notes receivable for the next five years and thereafter, as of December 31, 2023, are as follows:

2024	$ 16,310,441
2025	15,941,301
2026	15,289,575
2027	14,792,659
2028	14,287,676
Thereafter	133,322,761
Total	209,944,415
Less: Provision for repossessions	(4,198,817)
Notes receivable - mortgages, net	$ 205,745,597

The range of stated interest rates on notes receivable is 3.00% to 9.50% with a weighted average interest rate as of December 31, 2023, of 7.16%. The carrying value of notes receivable in the aggregate was assumed to approximate fair value based on effective borrowing rates for debt instruments with terms.

Note F Notes Receivable -*continued*

Other

The Company's notes receivable-other, consist of the following at December 31, 2023 and December 25, 2022:

	December 31, 2023	December 25, 2022
$75,000 note receivable from Highland Property Owners Association, Inc., payable in 10 annual payments of $9,713, payments commencing on May 1, 2019, bearing interest at 5%, maturity date of May 1, 2028.	$ 42,052	$ 49,299
	$ 42,052	$ 49,299

Principal payments on notes receivable, other over the next five years are as follows:

2024	$ 7,248
2025	7,248
2026	7,248
2027	7,248
Thereafter	13,060
Total	$ 42,052

Note G Age and Interest Accrual Status of Financing Receivables

The following table presents data by class of financing receivable regarding their age and interest accrual status as of December 31, 2023:

December 31, 2023	Current	Past Due				Total Financing Receivables	Status of Interest
		30 Days	60 Days	90 Days	Total Past Due		Past Due>90 Days and Still Accruing
Notes receivable, mortgages	$ 205,301,089	$ 2,092,173	$ 791,101	$ 1,760,052	$ 4,643,326	$ 209,944,415	$ 1,760,052

Note H Related Party Transactions

The advances to affiliates do not bear interest and are net of an allowance for bad debts of $2,058,885 as of December 31, 2023 and December 25, 2022, respectively.

Related party notes payable outstanding to the majority shareholders are due on demand and do not bear interest and total $0 and $0 as of December 31, 2023 and December 25, 2022, respectively.

Note I Notes Payable

Notes payable as of December 31, 2023 and December 25, 2022, consist of the following:

Lender	Collateral	Current Rate	Maturity Date	December 31, 2023	December 25, 2022
First National Community Bank	Various amenities	9.25%	11/15/2033	$ 1,713,755	$ 1,973,897
Independent Bank	Condos in Texas	4.75%	01/30/2023	-	247,089
Plains Capital Bank	Mortgage notes receivable	9.50%	10/04/2024	28,337,962	8,325,680
US Bank DDF 7	Mortgage notes receivable	4.50%	12/15/2039	19,260,144	22,525,777
US Bank DDF 7	Mortgage notes receivable	5.00%	12/15/2039	6,769,256	7,917,010
US Bank DDF 7	Mortgage notes receivable	6.25%	12/15/2039	1,043,672	1,220,631
US Bank DDF 8	Mortgage notes receivable	4.65%	04/17/2043	19,378,791	22,821,227
US Bank DDF 8	Mortgage notes receivable	4.13%	04/17/2043	64,906,144	76,405,668
US Bank DDF 8	Mortgage notes receivable	6.00%	04/17/2043	5,628,399	6,628,225
Other	Condominiums, vehicles, &equipment	0% - 8.44%	01/2024 -4/2027	109,289	185,815
Total				147,147,412	148,251,019
Less: debt issuance costs, net				(1,393,879)	(1,474,194)
Notes payable, net				145,753,533	146,776,825

Note I Note Payable - *continued*

Management's estimate of the fair value of assets pledged as collateral related to the notes payable agreements, as agreed to by the lenders extending credit, total $209,757,122 and $203,047,603 as of December 31, 2023 and December 25, 2022, respectively. Additionally, the agreements contain covenants including maintenance of certain financial ratios and reporting requirements. As of the date of issuance of these financial statements, the Company is in compliance with the reporting covenants.

For the years ended December 31, 2023 and December 25, 2022, interest expense totals $7,770,526 and $6,828,761, respectively.

Schedule maturities of notes as of December 31, 2023 are as follows:

2024		46,679,846
2025		16,748,264
2026		15,171,828
2027		13,616,010
Thereafter		54,931,464
Total	$	147,147,412

Note J Commitments and Contingencies

Litigation

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. While the resolution of these matters cannot be predicted with certainty, management believes that the final outcome of such matters will not have a material adverse effect on the consolidated financial position or result of operations of the Company.

Self-Insurance Program

The Company maintains a self-insurance program for its employees' health care costs. The Company is liable for losses on claims up to $50,000 per covered individual and $1,000,000 in total for the year. The Company has third-party insurance coverage for any losses in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the balance sheet date as well as an estimated liability for claims incurred but not reported.

Note K Property Tax

The Company capitalizes property tax as a component of the cost of construction in progress. There were no property taxes capitalized for the years ended December 31, 2023 and December 25, 2022.

Note L Retirement Plans

The Company has a 401(k) plan that covers substantially all employees who have completed at least nine months of service. The Company's funding policy is to match 50% of the employee's contributions up to 5% of participating employee's salaries. Employees vest in Company contributions over a six year period. The Company contributed $137,145 and $112,380 for the years ended December 31, 2023 and December 25, 2022, respectively.

In 2007, the Company established an Employee Stock Ownership Plan ("ESOP") for the purpose of rewarding eligible employees for their loyalty and faithful service to the Company, and providing eligible employees with an opportunity to share in the ownership and profitability of the Company.

Employees of the Company are generally eligible to participate in the ESOP after one year of service, providing they worked at least 1,000 hours during each plan year and are 21 years of age. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are not eligible for an allocation of Company contributions for such year. Participants vest in the Company contributions as follows:

Years of Service with the Company	% of Vesting
Less than 2 years	0%
2 years but less than 3	20%
3 years but less than 4	40%
4 years but less than 5	60%
5 year but less than 6 6	80%
years or more	100%

In September 2007, the ESOP purchased 518,519 shares valued at $13.50 per share for total price of $7,000,000 from the sole shareholder of the Company through a note payable to the shareholder. On January 29, 2008, the Company affected a 100 for 1 reverse stock split of the authorized and outstanding shares of the common stock. The post-stock split equivalent of these shares is 5,185.19 shares valued at $1,350 per share. The Company assumed this note payable in exchange for a note receivable from the ESOP. The note receivable has been recorded in equity ("Unearned ESOP shares") in accordance with FASB ASC 718-40, Employee Stock Ownership Plans.

As loan payments are made, shares are released from collateral, based on the proportion of debt service paid. The compensation expense recognized represents the fair value of the share committed to be released as of the date such shares are committed to be released. Dividends on allocated ESOP shares will be recorded as a reduction of principal or accrued interest on the loan. The Company released the remaining ESOP shares during 2017 when the loan was paid off.

Note L Retirement Plans - *continued*

As of December 31, 2023 and December 25, 2022, all the shares in the ESOP have been allocated.

The Company is required to repurchase shares held by participants upon reaching retirement age, termination of service, or the participants death or disability. The Company satisfies this obligation by contributing cash into the ESOP trust, which then is allocated to participants to be used to purchase the shares of exiting participants. These cash contributions are accounted for as compensation expense. Compensation expense related to these contributions for 2023 and 2022 amount to $525,511 and $515,000, respectively. As of December 31, 2023, the number shares subject to repurchase in future years was approximately 5,185 with a fair value of approximately $6,010,000.

Note M Leases

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets and finance lease right-of-use assets (collectively "ROU assets") represent the Company's right to use an underlying asset for the lease term. Operating lease liabilities and finance lease liabilities (collectively, "lease liabilities") represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

The Company has leases for certain equipment and office space. The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company utilizes the risk-free rate. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions or covenants.

Total operating lease costs were $279,423 for the year ended December 31, 2023. Total finance lease costs for amortization of ROU assets and interest on lease liabilities were $465,873 and $32,675, respectively, for the year ended December 31, 2023. Short-term lease costs, for leases with terms of less than 12 months, during 2023 were $78,029. The Company holds a short term lease for hanger space in Dallas Love Field Airport which it entered into with Business Jet Center Dallas LTD on May 22, 2019 that commenced on June 1, 2019 that renews yearly automatically unless a 30 day notice is provided before expiration of the year on May 30. The Company also has postage meter, printer and dish washing machine leases that are month to month leases.

Note M Leases - *continued*

Maturities of lease liabilities as of December 31, 2023 are as follows:

	Finance Leases	Operating Leases
2024	534,012.48	381,591.19
2025	526,350.48	390,245.16
2026	370,385.92	399,199.15
2027	128,922.75	408,153.19
2028	-	417,107.16
Thereafter	-	605,141.15
Total lease payment	1,559,671.63	2,601,437.00
Less present value discount	(64,773.21)	(314,572.82)
Lease liabilities	1,494,898.42	2,286,864.18

Weighted average lease term and discount rate as of December 31, 2023 are as follows:

Weighted average remaining lease term (years)	
Operating leases	6.40
Financing leases	3.20
Weighted average discount rate	
Operating leases	4.07%
Financing leases	2.52%

Cash paid during December 31, 2023 for operating and finance leases are as follows:

Finance Leases		
Operating cash flows	$	31,820
Financing cash flows	$	507,885
Operating Leases		
Operating cash flows	$	238,068

ROU assets obtained in exchange for lease liabilities during December 31, 2023 are as follows:

Operating leases	$	-
Finance leases	$	639,695

The Company is obligated under certain noncancelable operating leases for facilities and equipment. Operating lease payments total $1,207,176 for the year ended December 31, 2023.

Note N Unusual Item

In April 2022, a fire caused damage to The Cliffs hotel in Graford, Texas (Company property). Two buildings were completely damaged, while the third was recoverable. Insurance proceeds and expenses related to debris removal and repairs were recorded as deferred insurance recovery in the accompanying consolidated balance sheets at December 31, 2022. In 2023, management determined two of the three buildings which comprise The Cliffs hotel would not be rebuilt. As such, an approximate $5.4 million gain was recognized as the difference between insurance proceeds received and debris removal/repair related expenses as of December 31, 2023. $1.34M in business interruption insurance proceeds were also recognized as other non-operating income.

Note O Subsequent Events

In accordance with FASB ASC 855, Subsequent Events, management has evaluated subsequent events through , September 4, 2024, the date that the report was available to be issued. No significant subsequent events were identified.