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July 5, 2006

**VIA CERTIFIED MAIL NO. 7005 2570 0001 1784 0331**  
**RETURN RECEIPT REQUESTED AND U. S. MAIL**

Ms. Cheri Curtis  
3720 High Gables East  
Cumming, Georgia 30041

Re: High Gables Homeowners Association, Inc. v. Larry C. Oldham,  
Civil Action File No. 05-CV-2005, Superior Court of Forsyth  
County, Georgia (the "Action"); Notice of Potential Claim for  
Abusive Litigation

Dear Ms. Curtis:

I am sending this same letter to each of you. The purpose of it is to provide you with a final opportunity to extricate yourselves from this mess you have created by your failure to carefully consider your actions on behalf of the HOA and to let you know exactly where I stand with respect to each of you. The terms of this letter are non-negotiable and if you do not comply precisely as required, you will be responsible for everything else that happens to you from this point forward.

I have never been formally introduced to over half of you and would not know you if I passed you in the street. Of the three of you that I have actually met, I provided sound legal advice to two of you at no charge and spoke with one of you at length months ago in an effort to bring some rationality to the HOA Board's decision-making process regarding the Action. While you may say that you were trying to do the right thing (and you may still believe that you did), it is my opinion that you have disgraced the offices to which you were elected by your neighbors and have abused the trust that they placed in you to conduct business in a manner that represents the best interests of the HOA. You hid behind your advisers and buried your heads in the sand after this matter became contentious, and you should have engaged me in discussion as reasonable adults and neighbors.

According to your official interrogatory responses, only one neighbor (Patrick Bryant) was complaining about our unfinished driveway (although I am sure there had to be more), and you took it upon yourselves to sue me when I did not respond to your threats in writing or come to you hat in hand and ask you to work with me. I did not (and still do not) feel that I needed your advice or your permission when it came to solving the site problems I was dealing with on

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my Lot, and we can agree to disagree when it comes to that issue. While it may have made sense for me to give you the benefit of the doubt by communicating those problems to you and keeping you informed of my progress, your poor handling of this matter from the outset let me know that I would likely be in for what eventually came to pass and I elected not to do so. I have made my thoughts and feelings abundantly clear in numerous postings on my web pages and will not go into them again here.

While I could have handled this matter differently, it was your careless actions that have caused me to spend a substantial amount of time and money in defending myself that I should never have had to incur. As you all have learned, once you get on the litigation wheel it is tough to get off, and I agree with those who complain that using our legal system is too costly. That is all the more reason that you carefully consider the consequences before you institute legal action against someone, and you all failed miserably in that regard.

While I was not privy to your conversations with your advisors and your predecessors on the HOA Board, I can only conclude from the way you handled this matter that you got some faulty advice or chose not to heed what good advice you may have been given. While all of that is irrelevant at this point, please understand that I do not buy the argument that you felt that you had no choice but to pursue an action that was started by your predecessors on the HOA Board. The nice thing about being human is having free will and the ability to use common sense, and my take on your handling of this matter is that you left those things at the door in making your decisions in the litigation against me. While I cannot get into your heads, I can say that I was as nice as I could be in trying to show you where things were headed early on and I gave you every opportunity along the way to see the light. The fact that you did so only when it was clear that you had no opportunity to prevail indicates to me that you have no business being in charge of an organization like our HOA or serving in any sort of capacity that requires sound decision-making.

My family plans on being in this neighborhood for a long time and we are necessarily going to run into each other during the course of our everyday lives in this community. Some of our children are friends (or may become friends in the future), and I do not want to do anything to discourage that. The worst part of suing your neighbors is how awkward it becomes when you see them the next day at the pool or the store or when their kids ask to come to your home to play, and Lynn and I are not going to allow your mishandling of this situation to make us uncomfortable living here. Your children are always welcome at our home, although it is likely that none of you ever will be.

As I have said before, we harbor no grudge against you or your families for subjecting us to these unnecessary costs and inconvenience, and we were even willing to give you the benefit of the doubt by assuming that you were convinced of the righteousness of proceeding against us when the Action first started. Nevertheless, you had numerous opportunities along the way to come to your senses, and you never did until you had no other choice. Even after we agreed to settle this matter, you attempted to renege on the deal, and none of you deserve to represent our neighborhood in any sort of leadership position.

You all need to understand that neither Lynn nor I have any desire to exchange fake pleasantries with you in the social settings we are all bound to find ourselves in over the next several years. We will always conduct ourselves cordially and with class when we run into you in person and will always be nice to your children and spouses, but you should never for one minute think that we want to have anything more to do with you than the minimum requirements of social decency dictate under the attendant facts and circumstances. Ironically, I still cannot identify a majority of you by putting your faces with a name, and this controversy has been going on for more than a year. You all should be ashamed.

As I told Peter York, I have gone to a lot of unnecessary trouble and expense as a result of your collective failure to see the light in this matter months ago, and in many ways, I want my pound of flesh. I can think of nothing more fitting than making you add up the money the HOA spent on pursuing the Action that was not covered by insurance and for each of you to reimburse the HOA for 1/7 of that amount since it was unnecessarily wasted. I do not believe that expectation to be unreasonable, especially coming from someone who had to spend at least \$12,000.00 more than he should have in order to resolve this dispute, and in my opinion, you should have the character and integrity to do just that without anyone even having to ask you. I often find in my representation of clients that people generally fail to get the message until you hit them in their wallets, and \$1,500.00 or so from each of you might seem like small potatoes when you are faced with the costs of defending yourselves in a proceeding by the HOA or its members against you for breach of fiduciary duty, especially where an insurance company is prohibited from providing you with a defense.

The beauty of living in a civilized society that supports freedom of expression is that I have been able to convey my beliefs to anyone who cares to listen through the use of my web pages and mailings to the neighbors, and I have at least been able to counter much of the harm to my reputation that I believe I have suffered as a result of the misleading information you and your representatives have disseminated to the members of the HOA. Those members are free to listen to what you have to say and to what I have to say and to make a determination for themselves of where the truth actually lies, and I have told them about all I want to say. I know

that their apathy runs strong and deep, but I have at least had the opportunity to reach those of them who actually care enough to listen. That leaves me with one piece of unfinished business, which is what to do with you as a group.

While I have made a business decision and voluntarily given up my individual claims against the HOA and you, the members of the HOA have a right to proceed against you under the Georgia Nonprofit Business Corporations Code. That right is called a derivative proceeding, and Messrs. York and Pontrelli can educate and advise you about that type of action. In a nutshell, a derivative proceeding is a right by members or shareholders of a corporation to proceed on behalf of the corporation to pursue claims (like those for breach of duty against its officers and directors) that the corporation elects not to pursue. A condition precedent to pursuing the claims would be to make a request of the corporation to investigate the matter, and if the corporation elects not to proceed, the members then have the right to proceed in the name of the corporation in a derivative action.

Since it takes 5% of the members to authorize a derivative action and I have agreed to forego my individual claims against all of you and the HOA, filing a derivative proceeding by myself is not something I can do. In order to proceed against you, I will have to rally at least eight other members of the HOA to do so, and while I think I can, it may be close (as you know, seven members besides me voted against ratifying you as a Board in the recent written consent, and I received nine proxies when I was looking for them from the neighbors back in April). Assuming there are enough members interested in proceeding against you, those of you who are still serving on the HOA Board at the time will suffer the indignity of having to investigate yourselves. I am sure you will find no wrong-doing, and when you make the decision not to do anything, the interested members will then be able to file a derivative suit against you on behalf of the HOA.

In such a proceeding, my firm and I will agree to represent those members at no charge, and I will do my best to keep the HOA's insurance company from paying for your defense. I can be a vindictive sort, and I will not undertake to represent the members in a derivative proceeding against you unless they agree that they will never settle with you and will see the proceeding through to a judgment, the idea being to have a full and fair hearing of all of the issues and to cause each of you the same trouble and expense you have caused me.

It is always possible, of course, that 5% of the members will not agree to pursue a derivative proceeding against you, or that even if they do, your decision-making and actions ultimately may be vindicated. You merely have to ask yourselves, like I did, if the cost of defending yourselves is worth it and if you really believe in your position so strongly that you are

willing to put your own money where your mouth is. If you do, then a jury of your peers can decide your fate, and if you do not, then I am providing you with a way to cut your losses by doing what I require herein. Please understand that I cannot keep a group of your neighbors from rising up against you on their own accord in order to pursue these claims, but based upon past experience, it seems unlikely that any of this will happen unless I encourage it.

I have always intended to communicate my thoughts to each of you directly when the time was right, and I do not want there to be any misunderstanding about how I feel about this dispute and each of you as a result of your mishandling of it. I demand some satisfaction and will accept nothing less than each and every one of you stepping down from your current positions with the HOA in accordance with the requirements of this letter.

My terms are simple. As discussed above, they also are not negotiable and each and every one of you must comply with them completely and precisely for me to be bound by my word as set forth herein. Set forth below is what I want you to do, and if you do exactly as I demand, all of you have my word that I will neither encourage nor pursue, as counsel, any further action against you as a result of your breach of your obligations to the HOA in connection with this Action and your mishandling of this matter.

In order for my commitment in the previous sentence to apply, you are required to do the following, with unanimous participation of all seven of you being required in order for me to be bound:

1. Each of you will tender your resignations from your positions with the HOA by signing the letter that I have enclosed herewith (including Lisa Ann McDougald, who I understand may be resigning for the second time). Please note that your resignations will be effective as of July 10, 2006 (the anniversary date of the anonymous letter that one of you or one of your predecessors on the HOA Board admittedly sent to me). You will send your originals of those resignations to the HOA care of Heritage Management (with copies to me at my office) and they should be post-marked no later than July 17, 2006.

2. You will cause Heritage Management to send a notice to all members of the HOA calling a special meeting to be held at 7:00 p.m. on Thursday, July 27, 2006 at the pool area for purposes of electing new officers and directors of the HOA. The form of the notice that Heritage will use is enclosed. All of you will attend that meeting (it will be my chance to meet many of you) and conducting it will be your last official act on behalf of the HOA. In the alternative, you can delegate the authority to conduct the meeting to me and do not have to attend. If you elect

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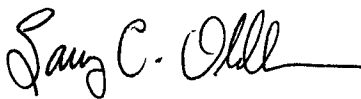
this option, please include the additional provision in the special notice meeting that appears in brackets.

3. You will all prevail upon Ms. McDougald to sign the May 19, 2006 settlement letter agreement, since she was involved in this matter until right before the very end. If she does not do so, there is no deal.

I hope that you will carefully consider this letter and do as I have asked. I would like to avoid further unpleasanties, but you all hopefully understand by now that I am willing to do what it takes to see that justice is served.

Govern your conduct accordingly.

Very truly yours,



Larry C. Oldham

LCO/bms

cc: Peter R. York, Esq.  
P. Jay Pontrelli, Esq.

July 10, 2006

NOTICE OF RESIGNATION

High Gables Homeowners Association, Inc.  
c/o Heritage Property Management Services, Inc.  
500 Sugar Mill Road  
Building B - Suite 200  
Atlanta, Georgia 30350  
Attn: Mr. Morris Zoblotsky

Re: High Gables Homeowners Association, Inc.

Dear Mr. Zoblotsky:

The purpose of this letter is to notify the Association that I hereby resign from all positions that I currently hold with the Association, effective as of the date that my successor is elected and duly qualified to serve at a special meeting of the Association to be held at 7:00 p.m. on Thursday, July 27, 2006 in the pool area of the neighborhood.

Very truly yours,

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Cheri Curtis

## NOTICE OF SPECIAL MEETING

In accordance with Article Two, Sections Three, Four and Five of the Bylaws of High Gables Homeowners Association, Inc., the current Board of Directors hereby notifies all members of a special meeting to be held on Thursday, July 27, 2006 at 7:00 p.m. in the pool area of the neighborhood.

The purpose of the special meeting will be to elect new officers and directors of the Association, all of the current officers and directors having tendered their resignations from their positions with the Association, with such resignations to take effect after their successors have been duly elected and qualified to serve at this special meeting. No other business shall be conducted at this meeting.

[In lieu of appearing themselves, the officers and directors of the Association hereby delegate the authority to conduct the meeting to Larry C. Oldham, who agrees to conduct the meeting in accordance with the procedures of the Association and its Articles of Incorporation and Bylaws.]