

**Larry C. Oldham, P.C.**  
**Attorneys at Law**  
**www.lcopc.com**

**416 Pirkle Ferry Road**  
**Suite K-500**  
**Cumming, Georgia 30040**

**Tel. (770) 889-8557**  
**Fax (770) 888-4988**

**Larry C. Oldham**  
**Brent S. Reece**

December 13, 2005

Paul Jay Pontrelli, Esq.  
Stites & Harbison, PLLC  
303 Peachtree Street, N.E.  
2800 SunTrust Plaza  
Atlanta, Georgia 30339

Re: High Gables Homeowners Association, Inc. v. Larry C. Oldham,  
Civil Action File No. 05-CV-2005. Superior Court of Forsyth  
County, Georgia

Dear Mr. Pontrelli:

By now you have received a copy of the Answer, Counterclaim and Third Party Complaint that I have filed in the above-referenced Action. The purpose of this letter is to make my only proposal to resolve the Action amicably without resort to further litigation. Please communicate this offer to each and every member of the current HOA Board and if they choose not to accept it, please provide me with evidence that each one of them has received a copy of this letter. Since the Action could affect more than just the current Board, I request that you also provide copies of this letter to the members of the Board that served for the term immediately preceding this one.

I think it only fair to inform the members of the Board about how I intend to proceed as the litigation progresses so that they understand the consequences of filing suit against me (or any other member of the HOA) and why they should have carefully considered and weighed the necessity of doing so and the costs and benefits of same before making the decision to do so. Please understand that nothing contained in this letter should be taken as a threat or an attempt on my part to bully the Board in any way – I only want to bring some reason to this matter before it is too late. I want to make clear that I will do whatever is necessary to protect my interests and prevail in both the Forsyth County Superior Court and the court of public opinion, and to that end I have created a link on my firm website – [www.lcopc.com](http://www.lcopc.com) – designated <High Gables> where I intend to keep anyone who is interested informed of the particulars having to do with the Action.

I am willing to admit that I could have handled things differently to date but did not do so for what I believed to be legitimate reasons. and I assume that many members of the Board would agree that the same is true for them. While I believe strongly in the merits of my position, I have to assume that the members of the Board who decided to file suit against me were equally

strong in their beliefs, although I find it hard to believe that all of them acted with full knowledge of all the relevant facts and circumstances. Moreover, even if the Board members had a full understanding of what the issues might be with respect to the delays in the completion of my driveway, they may have believed that it was their prerogative not to care. I knew what I was getting into when I moved into this neighborhood but never believed that it would come to this.

I find it disappointing that I have never met with either the immediately preceding Board or the current Board face to face over the issues in this Action and am willing to do so now if any of them would like. Ironically, I do not know many of the Board members by name and/or by associating a face with a name and find the anonymity with which this entire matter has been handled to be a big part of the problem. I recognize that I could have been proactive in meeting with the Board sooner, but I honestly believed that doing so ultimately would only have added fuel to the fire.

While I am not sure what advice you may have given the past or present Board regarding the Action, I do not appreciate the fact that you did not at least approach me about this matter before filing the Action and having the summons and complaint served on me. I am sure that you may have had your reasons for handling things that way, but I am at a loss to understand same. Be that as it may, however, I believe it makes sense for all of us to reflect on this matter and make an informed decision before proceeding any further. I am willing to meet with past and present Board(s), in order of preference, either: (i) at my home; (ii) at another home in the neighborhood; (iii) at my office; or (iv) at your office. While you are welcome to be there if the Board desires, I would rather you not, as this is a matter that should be able to be handled among a group of neighbors. The Board would have the opportunity, of course, to seek your counsel before entering into any agreement with me resolving the Action.

I recognize that it may ultimately be determined that I am liable to the HOA for the fines the Board purports to assess against me, even though I believe that I have been reasonable in my actions. As a matter of fact, I probably would have worked out some compromise regarding the fines prior to the HOA filing suit against me, especially since I chose to wait on my contractor and did not press him as hard as I could have because of my prior relationship with him and, like the HOA, I knew I would be incurring attorney time and/or litigation expenses in dealing with this matter, but that option went out the window when the HOA filed suit against me. My firm billing to date with respect to his matter is \$2,700±, which does not include any time I have spent working on the High Gables web pages and this letter.

I assume you have informed the Board that its likelihood of making me pay its attorney's fees, especially in light of all of the attendant facts and circumstances, is remote, as is my chance

of recovering attorney's fees on my counterclaims or damages from the abusive litigation demand I intend to make against the HOA. I also assume that you have informed the members of the Board that they may have insurance available to them for claims arising from their conduct on behalf of the HOA and that they may or may not have such coverage if they are found liable on my counterclaim for defamation.

On one hand, I want to wait until I have completed discovery before I even discuss resolving this matter. I have had some already put together interrogatories, requests for production and requests for admissions which will not take long to finalize and serve. I want to see who signed the petition I heard about from my 10 year old son and I want to know who on the Board (or in the neighborhood) said what about me and my family.

We plan on living in the neighborhood for a long time and I am willing to promote what I believe to be a just cause no matter what that takes. I created the <High Gables> link on my website for purposes of letting my position be known for anyone who is actually interested in this matter. My suspicion is that for most of the neighbors, this matter, like the Creech fence lawsuit, is something they do not have a strong opinion about one way or the other and that they actually know very little about. The parties to the Action are always the ones who care the most, and I am not even sure if most of the people on the Board I am fighting against have ever known the basis for my actions. The website is my way of educating my neighbors – whether they agree with me or not – and it makes life easier for me.

If we do not resolve this matter on the terms I propose herein, here is what I intend to do, in no particular order:

1. I will make an abusive litigation claim against the HOA.
2. I will send my discovery requests and will follow those with others until I get all of the information I think I need to support my position.
3. I will identify potential witnesses and take their depositions as I deem appropriate. At a minimum, I intend to take the depositions of every current and immediately past term member of the Board so I can discern all of the relevant facts and circumstances.
4. I believe the HOA has a pattern of picking and choosing the covenants it wishes to enforce, and I intend to raise issues regarding at least the following covenants, restrictions and requirements and/or obtaining evidence that the required approvals have been obtained by

members of the HOA as required by the Declaration and/or the Standard Building and Design Specifications:

"[a]ll lots shall be used for single family residential use only and no structure located thereon shall be used for a church, school, kindergarten, beauty shop or any commercial purpose..." (this prohibition certainly includes any home business use and may include home schooling)

"[a]ll residences shall have a two-car, enclosed garage [and] no parking pads (utilized in lieu of an enclosed garage) or carports will be permitted..." (the intent of this prohibition is to keep residents from parking in their driveways on a permanent basis rather than in their enclosed garages)

"[a]ll front yard areas within each lot shall contain an automated water irrigation system..." (which also implies that same should be required to be used to keep lawns green during dry times)

"[s]atellite dishes will be permitted only if they are in the rear of the house and attached to the main structure of the house and measure 18 inches or less...[and] all equipment shall be painted to match the color of the structure to which it is attached..."

"[a]ll clotheslines, garbage cans, wood piles and waste shall be screened so as to conceal them from the view by neighboring residences and streets..."

"[p]rior to occupancy of a residence, a Lot shall be suitably landscaped in accordance with landscape plans required by the Architectural Control Committee.

"[n]o business trades, commercial enterprises or product distribution shall be conducted on any lot..." (this prohibition applies to home offices, telecommuting to work and home-based businesses)

"[t]he Association may allow reasonable variances and adjustments of the above and foregoing conditions and restrictions [in] order to overcome practical difficulties and prevent unnecessary hardships in the application of the regulations [contained in the Declaration]..."

"[w]henver a garage faces a street, double 8 feet wide doors are required with an [sic] appropriate front elevation level of detail [and all] garage doors should have an appropriate head detail such as jack arches or wood pediment..."

"[n]o tree over a 6 inch caliper shall be cleared unless within 20 ft. of the house structure, in the driveway or unless specifically approved by the ACC..."

"[r]oof projections and vents shall be located so as not to be visible from the street and shall be painted to match the roof..."

"[e]xposed concrete shall always have a painted stucco finish..."

"[a]ll street-facing elevation chimneys must be brick, stucco or stone..."

"[f]ront porches must be at least six feet deep unless otherwise approved..."

"[m]ailboxes shall conform to the neighborhood standard and when possible shall be placed on the left-hand side of the driveway, but shall in no case be closer than 6 feet to the property line."

"[m]odifications are any repairs, changes or additions to the house or lot after the homeowner has closed[, all] such work must be submitted and approved by the [HOA and include] the following: [(i)]...[b]asketball goals must be mounted on a clear backboard with black trim and a clear goal [and normally] locations will be approved only if behind the front corners of the house...[; and (ii) air conditioning units] must be screened from view of all adjacent properties and streets..."

"...any Property Owner may enforce the covenants and restrictions contained [in the Declaration]...by any appropriate proceeding at law or in equity..."

5. In addition to my discovery to which I am entitled, I intend to obtain all of the records to which I am entitled as a member of the associations pursuant to O.C.G.A. § 14-3-1602 and related statutes. Please note that will be requesting this information whether or not we resolve this Action.

6. Simultaneously with sending this letter to you, I have informed all residents of the neighborhood about my website and the <High Gables> link through a mass-mailing to them (I have included a courtesy copy of same for your information). If we do not resolve this matter amicably, I intend to send a brief cover letter and take non-party written depositions by written question of every resident of the neighborhood regarding (i) their respective understandings of any violations of the types described in Paragraph 3, above; (ii) any ways they know of that the members of the Board have breached their fiduciary obligations to the HOA; and (iii) any verbal or written information they may have regarding the counterclaims I have filed in this Action.

7. Whether or not this matter is resolved by mutual agreement, I intend to attempt to call a special meeting of the members of the HOA, the express purposes of which will be (i) to dismiss the current Board and elect a new one; (ii) to have the new Board dismiss the Action, with prejudice; (iii) to dismiss your law firm from any further representation of the HOA or its members; and (iv) to dismiss Heritage Management as the manager for the association. I believe that I need around nine members to at least allow me to request such a meeting, and I believe I can accomplish same. Before such meeting, I intend to solicit proxy voting rights for the number of members necessary to take the action I have outlined so that the members of the Board will not be able to rely on the general reluctance of neighbors to take action against other neighbors in maintaining the status quo.

8. I will see this matter to its conclusion, no matter what the outcome. To the extent the HOA was successful in the Crecch action because both sides grew weary of mounting attorney's fees and the hassle involved, rest assured that same will not influence my decision. As you know, the HOA cannot dismiss the Action without my permission for so long as I have legitimate counterclaims pending. Even so, I will dismiss any unfounded counterclaims as soon as it becomes apparent to me that such is the case.

9. I am posting a copy of this letter on the web page so that the members are aware that the HOA had the chance to stop this madness before it got out of hand and chose not to do so.

My offer to resolve this matter amicably and without any further action by me or the HOA is as follows:

1. We dismiss our claims against each other, with prejudice. We both bear our own expenses of litigation and attorney's fees.

2. The HOA waives its claim against me for the fines.

3. I will honor my commitment to install a mailbox that complies with the neighborhood standard once the Board provides same to me in accordance with the terms of my November 14, 2005 letter to Morris Zoblotsky. I will remove the temporary mailbox that I installed today (a catfish mailbox that I bought as a joke back in July and which I refrained from using until now in order to avoid escalating this matter).

4. I have installed as much sod and other landscaping as I intend to install until this coming spring, although I will be planting some fescue and winter rye in the natural area along the right side of my driveway and will make whatever changes may be appropriate in the spring.

5. The past and current members of the Board meet with me and my wife face to face to sign all of the settlement documents and to settle this dispute once and for all and so we call all put faces with names and voices. The meeting can be at our home, at a home in the neighborhood, or at any other place the members of the Board desire. No children will be involved in this meeting.

6. I sit down with the current Board at no expense to the Board for purposes of reviewing and revising the covenants to take care of some of the issues that exist so that they more realistically address the real issues that face the neighborhood. While I may not care as much as others about what happens on my neighbors' property, I recognize the utility of the covenants. I trust that, like me, the members of the Board agree that we need to change some things and come up with ways to better address these issues (including notice and a right to be heard before filing suit against a member of the association) and to avoid costly litigation in the future.

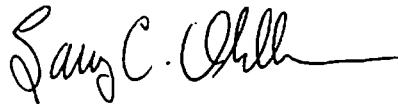
This offer remains open for acceptance by the HOA until 5:00 p.m. on December 30, 2005, at which time it will stand withdrawn without the requirement of any further notice from me.

Paul Jay Pontrelli, Esq.  
December 13, 2005  
Page 8

---

I sincerely hope that we will be able to resolve this matter amicably and trust that the HOA will take this offer in the spirit in which it is intended.

Very truly yours,

A handwritten signature in black ink, appearing to read "Larry C. Oldham", with a long horizontal flourish extending to the right.

Larry C. Oldham

LCO/bms