

October 25, 2010

Dear Tellico Village Property Owners:

Here's an update on the status of the document access lawsuit that was filed in July of last year against the TVPOA by Villagers Richard Anklin and Dannie Hutcherson.

The most important fact you need to know is that the lawsuit is not finished, despite our repeated efforts to close it.

At its last hearing with the parties on August 2, 2010, the Court limited Messrs. Anklin and Hutcherson to reviewing only 80-100 more invoices remaining from their previous request when Chancellor Williams learned that they had found no evidence of any wrongdoing or corporate malfeasance by the TVPOA in their previous document reviews.

The plaintiffs have reviewed these additional invoices and still have reported to the Court no evidence of any wrongdoing. As a result, the POA attorney has made numerous telephone calls and sent three letters in recent weeks in an attempt to file a joint order discontinuing any further document review, which would basically conclude the case.

Now, unfortunately, our counsel has advised that the lawyer for Messrs. Anklin and Hutcherson opposes the dismissal of the lawsuit and intends instead to ask the Court:

- 1) to declare the POA's document access rule invalid and
- 2) to seek reimbursement of attorney's fees incurred by Messrs. Anklin and Hutcherson in their litigation against the POA.

These two issues have never been raised in the litigation to date and will obviously delay the conclusion of this lawsuit. Moreover, this newly-announced course of action by Messrs. Anklin and Hutcherson's lawyer clearly contradicts the recent public disclosure by his clients that they were dropping the lawsuit.

We also have a troubling new development. While at no time have Messrs. Anklin and Hutcherson reported to the Court any findings of wrongdoing or corporate malfeasance from their review of hundreds of POA documents, Mr. Hutcherson just last week provided the board with a 42-page written submission raising several new allegations about suggested irregularities in TVPOA's procurement process. The Board takes all such allegations very seriously, and we are reviewing Mr. Hutcherson's submission to confirm that no incidents of corporate wrongdoing occurred.

While our initial review indicates that Mr. Hutcherson's allegations appear to be unfounded, as were similar allegations raised by Messrs. Anklin and Hutcherson with the District Attorney last year, we are still in the process of completing our review of his lengthy report. When that review is completed, we will communicate our conclusions.

The Court already has made clear that there is a limit to how much of your POA resources these property owners can demand. The litigation should have been concluded months ago, but Messrs. Anklin and Hutcherson have not allowed that to happen.

Most importantly, through all of their efforts of the last two years, Messrs. Anklin and Hutcherson have failed to find a single instance of POA wrongdoing, while the POA spent thousands of dollars in attorney fees and wasted staff time.

The nearly 7,000 other Tellico Village property owners deserve better. Your Board of Directors and your advisory committee volunteers are your neighbors. They and your POA staff are working hard to ensure that the POA runs efficiently for the benefit of all property owners. While there may be occasional disagreements about particular courses of action, all of us have the best interests of POA members at heart as we work continuously to improve the quality of life at Tellico Village.

We appreciate the opportunity to share this information with you.

Sincerely,
Your TVPOA Board of Directors

Joseph M. Melitto *Dave Hutcherson*
Kenneth Ballin *Clair H. Hayes* *Chris Sawyer*
Denny Rands *Infant N. Wilton*
