



TELICO VILLAGE
PROPERTY OWNERS ASSOCIATION

December 1, 2010

Mr. Dannie Hutcherson
202 Oohleeno Lane
Loudon, Tennessee 37774

Dear Mr. Hutcherson,

Thank you for meeting with board members Chris Garner and Ken Ballien regarding your observations and investigation into the POA purchasing and contract management processes. The board decided that your observations and conclusions required additional examination and has assigned this work to the Board Audit Committee.

On more than one occasion you have offered your services to the POA as a retired Certified Fraud Examiner and most recently in your letter dated October 24, 2010 regarding the matters currently before the board. The board respectfully declines your recent offer of assistance and believes you deserve an explanation.

The board thought it would be unwise and improper to use your services in reviewing POA internal controls because your ability to provide an objective and unbiased point of view on these matters is questionable. First, you are an adverse party in pending litigation filed against the POA by you and Mr. Anklin. Second, on several prior occasions you made or furthered accusations of board and staff misconduct to the District Attorney General, which all proved to be untrue. You did this even though you *admitted to more than one board member that you had no real evidence of any wrongdoing by such individuals.* Moreover, you recently made incomplete and biased statements to the HOA Board of Directors regarding the lawsuit you and Mr. Anklin currently have pending against the POA. These are in our opinion, not actions taken by an objective investigator and raise serious questions about your professionalism and integrity.

The POA Board Audit Committee will finish the work assigned to it by the board on the matters currently under review. Once the committee reports back to the board and it concludes its work on the same, our conclusions will be communicated in an appropriate manner. In the meantime, the General Manager is working with the Director of Public Services to define and implement improvements to the POA's bidding and contract management processes as a result of your inquiry and the comments from the advisory committee and other property owners.

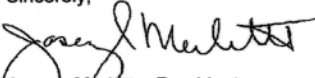
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The Board of Directors remains concerned about the statements you made in your observations regarding the POA's contracting process and will continue to take appropriate action as necessary to address these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Marlette". The signature is fluid and cursive, with a large initial "J" and "M".

Joseph Marlette, President
TVPOA Board of Directors

cc: TVPOA Board of Directors
C. Coulter Gilbert, Esquire
Winston Blazer