From: B Waite
To: "Robert Wallace"
Subject: RE: Sorry about your son.
Date: Friday, March 18, 2011 5:43:00 PM

You said you would take into account ethical. The LVPOA BOD represents OWNERS who own the land, parks, etc. It has been documented 3 of 5 LV POA board directors lied to us. It is never ethical to lie to owners, simply because they are the owners. If a Director lying to owners isn't unethical I don't know what is.

There is documentation that 3 of the 5 LVPOA board members, Freeman, Oliver, and Standiford have lied and misrepreseted to us, including about the current park deal, you were a witness to much of it, copied on some of it at the time, and have had more forwarded to you recently. All the LVPOA BOD candidates were asked before they were elected, and some gained votes based on the fact they said they understood, if they understood what being a Board of Director on a shareholder owned company is. If this were a trial there would have been a conviction long ago.

I thought I was voting for someone who would represent Board of Director slot using common business principles. Few businesses would nationalize their assets. Do you see Exxon asking the government to please, please nationalize their wells? If you want to be a weathervane, then that means we can't rely on representation, it means we have to get up and take action constantly, rather than allowing those who represent us to do so.

Again, I know you have other more important things on your mind. I hope your son gets better.

Brad

From: Robert Wallace [mailto:lvpoa.kwallace@yahoo.com]
Sent: Thursday, March 17, 2011 3:27 PM
To: B Waite
Subject: Re: Sorry about your son.

Thanks again for your comments. I will take all of this into account. I have not made any decisions. I wantt to see what the will of the members is. That's how I will cast my vote (always taking into account that what the members want is legal, ethical, etc.). KW

From: B Waite <bwaite2@austin.rr.com>
To: Robert Wallace <lvpoa.kwallace@yahoo.com>
Sent: Wed, March 16, 2011 7:13:51 AM
Subject: Sorry about your son.

I am sorry about your son obviously family comes first. I hope he gets better. Saw you were on phone, kept it short, but do hope he gets better. Take care. Brad.

From: Robert Wallace [mailto:lvpoa.kwallace@yahoo.com]
Sent: Wednesday, March 16, 2011 7:08 AM
To: B Waite
Subject: Re: You never answered my questions - re: Current reasons as you requested - RE: No on lease, questions

I have been extremely busy with work and my son is in the hospital. I have not had a chance to read the long email or even think about POA matters right now. Sorry. KW

Sent from my iPhone

On Mar 16, 2011, at 5:01 AM, "B Waite" <bwaite2@austin.rr.com> wrote:

> Karen,
>
> I responded to your question with the expectation that given the courtesy of more input, you would respond to my original questions. In your reply, you never responded to any of my questions from my initial email. Not one. There are no questions in my reply only factual statements. However, based on your response, I added two new ones to the others I'd previously asked. I copied the original questions from bottom to top for your convenience and now they are numbered. You're being given a chance to respond, please let me know your thoughts. These are valid professional questions which deserve professional answers.
>
> Word is in the last LVPOA BOD meeting March 10, 2011, the POA BOD said they could do a lease over shareholder objections in the meeting. That's the POA BOD pushing a lot of times over a lot of objections and now openly stating they would consider going over shareholders heads. That is an interesting comment from a body which expressly exists to execute the will of the shareholders. People push for some reason.
>
> 1. I don't hear any POAD speaking publicly against this. If you've got points, let's hear them. If you are in favor of this, or against it, what's your reasoning?
>
> 2. In addition to any comments you may wish to make,
>
> 2.1. I'd like to know specifically what does the POA organization gain?
>
> 2.2. What does the individual POA shareholder gain?
>
> 2.3. What do you personally gain?
>
> 3. I had asked each POAD the above in a separate email but in your email you said "us". Are you responding for all, or only yourself?
>
> 4. Do you still agree the POA is an independent organization - a shareholder owned and financed entity responsible to the shareholders, not to the greater good of the COLV?
>
> This email and any response may be shared.
>
> Sincerely,
>
> Brad Waite
>
> ---
>
> **From:** B Waite [mailto:bwaite2@austin.rr.com]
> **Sent:** Monday, March 14, 2011 4:49 PM

To: 'Robert Wallace'
Subject: Current reasons as you requested - RE: No on lease, questions

I'll give you many current reasons below in bullets. But, first I get it that you are new to this but I've observed that people doing what you suggest, doing the "look forward" is how some people get away with things, by making each event a new and "separate" thing, even when they are obviously interlinked both in concept, in people involved, and in intent. Do you let your kids get away with something calling it "new" each time, or do you react accordingly when you see a pattern of behavior? This is the same thing. When you ignore evidence, it doesn't help anyone. I am not suggesting you are doing it intentionally but in an effort to be "fair" you are ignoring a pattern that there is a small group who are willing to lie for this through several iterations. That pattern is evidence. You were in a meeting where people tried to make those of us asking about this seem foolish for asking, even AFTER they had to admit the facts were accurate. This pattern of do, then deny, has occurred over and over when it is obvious that they were continuing each time all along. Doesn't that give you pause? In my opinion, there is an ongoing attempt to wear us down, to get people to give up, then they get what they want.

Prior to the election I asked you specifically if you saw the LVPOA as responsible to the shareholders who own it and pay for it, or to the greater good of the COLV. You said you understood that the POA is a shareholder owned and financed entity responsible to the shareholders.

Let's look at current points

1. Prior to the election I asked you specifically if you saw the LVPOA as responsible to the shareholders who own it and pay for it, or to the greater good of the COLV. You said you understood that the POA is an independent organization - a shareholder owned and financed entity responsible to the shareholders.

2. The LVPOA is owned and paid for by INDIVIDUAL POA members, not clubs, not the COLV. The parks are private property that the LVPOABOD holds in trust. They don't belong to the LVPOABOD, they belong to the members. If they wouldn't do something to or with their personal lots, why should they do it to or for our lots held in trust.

2.1. Since parks are special, unique, and irreplaceable, a loss of a park will create a unique loss in shareholder value and a loss in capacity with no corresponding reduction in eventual populated LVPOA footprint lot utilization, when all the lots are filled with homes and families utilization will increase, no matter the financials.

2.2. A new building or other amenity will never compensate for the loss of a park. Our POA is supposed to be a structure left in place by the developer to allow them to cash out while providing attractions to attract buyers to maintain an after market for our lots within the POA footprint, not the whole COLV, and certainly not to subsidize other developers who chose not to implement a POA, or parks.

2.3. Handing over a park at any price results in less desirability our lots and heightened desirability for lots outside the footprint by selling a unique competitive advantage to competitors.

2.4. Further, the loss of a park could result in a loss in membership since some would be unwilling to continue pay for private amenities they no longer get while living next to a public park.

2.5. Some would balk at paying a membership to an organization that reduced their lot's marketability by converting a neighboring private amenity they bought to live near, into a less desirable public amenity.

2.6. Further, since there would be fewer amenities for the same number of members, this could be objectively considered a reduction in desirability of membership for any members located anywhere in the POA.

2.7. In addition, the loss of a park would be a signal that members could no longer depend on the POA to maintain the amenities, anything could be sold at any time, potential buyers and current owners would be wise to consider moving somewhere more stable, reducing the desirability of being a member anywhere in the POA footprint. Also, the POA assets belong to the members, in a case where a unique irreplaceable asset is sold, I would argue that the proper place for the funds to go is to the owners rather than into some other investment. But in any event, that makes our personal homes and lots less marketable, reducing their value as well.

3. LVPOA does not need the money.

4. People bought into the POA lots for privacy and this will be a public park.

5. Making a park public means the LVPOA membership is taxed twice once by the POA, once by the COLV. It's actually worse than that because we're taxed once now for private parks, but would be taxed the same or more for fewer parks, and in two places LVPOA and COLV.

6. Look at the built out capacity of the LVPOA footprint. Right now, there are very many empty lots. That leads to a low utilization. But what happens when those very many POA footprint lots get homes on them. Look at the total population then, and look at utilization then. We need all our parks and more.

7. Peeling off parks shrinks the asset base of the LVPOA. You can claim it is still property of the POA but the reality is it would be a public park for at least 20 years, probably forever. Common sense tells you it would be hard or impossible to reverse once it is developed with new additions. What I think the BOD is overlooking is that reinvesting in a growing asset makes sense, reinvesting in a shrinking asset usually doesn't. When people buy lots from anywhere, they are looking to see if the asset base is growing or shrinking. That lowers the attractiveness of the LVPOA whose primary points of existence is to attract buyers and maintain an aftermarket for our POA footprint lots as well as providing amenities for current owners, not the whole COLV.

8. Those additions will cost more money to maintain. Even if the COLV "pays", that is a farce. GOVERNMENTS HAVE NO MONEY, PEOPLE DO. Making the park public means the LVPOA membership is taxed twice for less privacy. People who moved outside LVPOA moved there so they didn't have to deal with POA costs or hassles, so they gain a tax they'd chosen to buy outside the POA to avoid.

9. The same pressures on the BOD now will increase as the city grows. So there will be another time when the one park isn't enough and a future board will likely offer another park. This cycle is likely to persist because we are not standing up for our contractual rights, we are bowing to someone's sentiment. I don't see this as likely to change. No one I talk to does. Therefore if we sell a park, we are likely

looking at reinvesting in an ever shrinking asset.

10. Thus shrinks the asset base. As it shrinks, it's value will decrease, the number of supporters adversely affected by having a public park near them will also increase.

10.1. Even considering it drives buyers to other people's lots, why buy into a POA that is shrinking or might shrink further in the future? That potentially reduces our lots attractiveness anywhere in the LVPOA footprint

10.2. Supporters of a private POA are already apathetic but if a public park is put next to them, then a rational person will say, "why am I paying private fees for a park that is public", and they go over to the public parks side from the potential supporter side.

10.3. People with lots near the public park may ask to be let out of the POA and they would be justified in doing so

10.4. That will decrease POA funding, put people on the side of making the POA parks into public parks, and is bad publicity for the POA driving down lot values and causing additional pressure to simply make them public to get it over with, this is already occurring, some would rather just have the LVPOA become a public park just so the hassles are over, they're tired of fighting. Obviously, the complete and utter destruction of a shareholder owned entity is not in shareholder interests,

10.5. It's also a potential lawsuit because it turns an attraction into a nuisance and drives potential buyers away from those lots. They can argue that the POA is diminishing their lot's value.

10.6. Also, some will say if it happened to my neighbor, it could happen to me which makes it uncomfortable to live in the LVPOA which undermines support,

10.7. All of that means already apathetic support is undermined and pressure increases to simply become a public park system

10.8. Unless one of my other questions turns up some contractual reason for the POA to sell or lease a park, the above holds, ESPECIALLY if the rationale is someone's sentiment, not contractual obligations

10.9. By not forcing the City to face Its obligations, by solving it for them, the POA is encouraging more of the same from the City and other developers, this likely increases the pressure over time as more developers take advantage of this opportunity to build but put their costs and headaches on the LVPOA, there will be more people outside the POA who think they are entitled to it because you solved it for the these developers,

10.10. Potentially, it's a death spiral for the valuation of the POA

10.11. Those are hypothetical but based on existing conditions and well established real estate common knowledge, along with rational extrapolations from existing conditions. I could go on but those should give reason enough for the BOD to take this as a serious question and thoroughly evaluate it now

10.12. Normally it is in the shareholders best interests for the investors cash out at the top, not the bottom. If the LVPOA undertakes actions that undermine the utility of the enterprise they should take shareholder value, and anticipated shareholder value into account

10.13. I am not saying I want to cash out. I am saying the BOD should consider the long term effects I outlined and whether it would be best to return the shareholders investment now at a high value rather than a low value after destroying the enterprise in stages, in fully predictable steps under the BODs control

11. History has proved we didn't have to sell before, or lease now yet it was on the block then and now – yet, his words, Dave has said they dropped the asking price from $1.6 million to $950,000. That is a seller discussing a drop of $650,000 with a potential buyer on a property the POA has admitted it did not need to sell, without public notice to see if anyone else anywhere in the world might be interested in paying the asking price, perhaps even more. That was prior to any public notice or discussion according to the BOD in several communications. Do you think he would have done that with his lot? Or would he have more likely taken the more usual real estate practice of getting an appraisal and putting it on the open market so anyone in the world can buy it?

12. Predating you this has come up many times both on the COLV meetings and LVPOA BOD Meetings, so lets just cover what's happened since you've been involved, and since you witnessed most of this. Like with your kids, do you make it "new" everytime or do you notice and take appropriate reaction to patterns of behavior?

13. Now ask yourself, are these the actions of innocent parties?

13.1. At the Lagopalooza meeting there are board members saying it is way too dangerous for locals but it's totally safe and fine for strangers and business. That's obviously impossible. If it's dangerous, it's dangerous for all. I wrote them to that effect. I spoke up as did many others, pointing this out so they knew it and continued to say it anyway. Why lie?

13.2. There was a secret meeting to sell a park before any public meeting and before the memo calling for a public meeting. I have the email proving it which predates the open meeting. You heard them admit to it candidate's night, and November 11, 2010. Why meet in secret, why not simply hold a joint public session? It's not real estate related, it's because this has come up many times and they've seen the results of public meetings.

13.3. There is some reason the POA BOD is pushing this now in COLV Committee because the prior BOD pushed it with a secret meeting for a park sale.

13.4. When that secret meeting fell through they pushed for it even through the public humiliation the Mayor gave the POA about having an open meeting. This was in the LOG and you heard about it candidates night. It may also have been in the November 11, 2010 meeting, but in a minor way

13.5. When that public meeting attempt fell through, the POA BOD continued pushing and wavering through emails to the old BOD. After several emails it was declared dead for the OLD BOD, who used wiggle wording about being unable to constrain the new BOD. Note that 3 of 5, a majority, would remain on the new BOD from the old BOD so there was no reason for any wiggle room, they could have said it was dead for the new BOD.

13.6. The new BOD is seated. You were at this meeting November 11, 2010 and cc'd on the emails. The wiggle room wording of the prior emails was noted, and it was brought up to the new BOD simply because of the wiggle room wording. The new BOD got really animate about it, first denying then confirming all that was being said.

13.7. They finally answered the question, and then finally confirmed a sale was dead. In that BOD meeting, November 11, 2010, and letters preceding it, Blaine denied it throughout. Nancy was animate that meetings with the COLV would occur, but she said the park sale was dead, and gave no indication of planning for the COLV Committee to be for leasing a park even though it was obvious the intent of the questioning was to learn if there was to be a public park. It's evasive and you saw it.

13.8. Even in an argument Blaine instigated immediately following the November 11, 2010 meeting, right outside the meeting room we'd just been in moments before, Blaine was arguing while refusing to listen to the tape from the meeting he'd just been in, or later to respond to the written time-stamped proof he'd asked for post meeting and was given the very next day. So from November 11, 2010, an email November 12, 2010 until today March 14, 2011, no response for concrete proof? And Blaine, and Nancy end up on the COLV Committee?

13.9. So we've got Dave, Nancy, and Blaine on the BOD which was pushing this while Blaine was willing to deny proof that his eyes had seen, his ears had heard, and the rest of the BOD said in his presence.

13.10. Even after all that about telling us a sale was dead, the new POA BOD was working hard in that meeting trying to make it seem like we were going overboard in asking about it, in the BOD meeting on November 11, 2010. Now, we are finding out the POA BOD was turning around a month or so later and is working to bring up a lease

13.11. Obviously, that factual history raises questions.

I hope this helps.

Sincerely,

Brad Waite

From: Robert Wallace [mailto:lvpoa.kwallace@yahoo.com]
Sent: Monday, March 14, 2011 12:43 PM
To: B Waite
Subject: Re: No on lease, questions

Brad, I don't know what has happened in the past, but can we just look forward from now on? Can you please let us know why you object to the lease? That's what I'm interested in hearing. Thanks! KW

From: B Waite <bwaite2@austin.rr.com>
To: lvpoa.kwallace@yahoo.com
Sent: Fri, March 11, 2011 7:13:28 PM
Subject: No on lease, questions

I strongly object to a lease or sale, of any POA park. You're being given a chance to respond, please let me know your thoughts. These are valid professional questions which deserve professional answers.

There is some reason the POA BOD is pushing this because the prior BOD pushed it with a secret meeting for a park sale. When that fell through they pushed for it even through the public humiliation the Mayor gave the POA about having an open meeting. When that fell through, the POA BOD continued pushing and wavering through letters to the old BOD until it was declared dead for the OLD BOD, who used wiggle wording about being unable to constrain the new BOD. Note that 3 of 5, a majority, would remain on the new BOD from the old BOD. The wiggle room wording was noted, and it was brought up to the new BOD. The new BOD got really animate about it, first denying then confirming all that was being said. They finally answered the question, and then finally confirmed a sale was dead. In that BOD meeting, November 11, 2010, and letters preceding it, Blaine denied it throughout. Even post meeting Blaine was arguing while refusing to listen to the tape from the meeting he'd just been in, or later to respond to the written time-stamped proof he'd asked for post meeting and was given the very next day. So we've got a BOD which was pushing this while Blaine was willing deny proof that his eyes had seen, his ears had heard, and the rest of the BOD said in his presence. Even after all that about telling us a sale was dead, the new POA BOD was working hard in that meeting trying to make it seem like we were going overboard in asking about it, in the BOD meeting on November 11, 2010. Now, we are finding out the POA BOD was turning around a month or so later and is working to bring up a lease. Obviously, that factual history raises questions.

Specifically in note 12 from the minutes on line "MINUTES OF THE REGULAR MEETING LAGO VISTA PROPERTY OWNERS' ASSOCIATION BOARD OF DIRECTORS January 13, 2011:

> 12. **COLV Committee**: This Committee's members; Nancy Oliver, Blaine Standiford, Deborah Sorchevich and LVISD Matt Underwood will have their second meeting with the City on Monday. The first meeting went very well. It is Ms. Oliver's desire to work with these two other entities wherein the POA can use some of its land and they can use some of their monies to create new facilities. The City's Mayor and his group have been very receptive and it is Ms. Oliver's hope to have a good working relationship between the three entities.

Now, word is in last nights meeting March 10, 2011, the POA BOD said they could do a lease over shareholder objections in the meeting. That's the POA BOD pushing a lot of times over a lot of objections and now openly stating they would consider going over shareholders heads. That is an interesting comment from a body which expressly exists

to execute the will of the shareholders. People push for some reason.

I don’t hear any POAD speaking publicly against this. If you’ve got points, let’s hear them. If you are in favor of this, or against it, what’s your reasoning?

In addition to any comments you may wish to make, I’d like to know specifically what does the POA organization gain, what does the individual POA shareholder gain, what do you personally gain?

This email and any response may be shared.

Sincerely,

Brad Waite