

An Update on Woodlake **10/20/2018**

To get everyone current on our ongoing Woodlake situation, a review of recent events follows:

You may recall that during the course of WLCCC's efforts to resolve a Moore County Superior Court ordered *Consent Decree*, they hired the *Geosyntec Engineering Company* to provide engineering services to develop plans to breach the dam. WLCCC failed to pay *Geosyntec* (~\$300K); and as a result, *Geosyntec* had a "*Judicial Lien Judgement*" against all WLCCC's property and assets.

To satisfy that judgement, *Geosyntec* was planning to conduct a *Judicial Lien Auction* of WLCCC's property and assets on the 16th of October.

In anticipation of this event, the *Restore Woodlake Committee* (RWLC) established a Limited Liability Company (LLC) to be our legal bidding entity at that auction. The LLC accrued a credible bidding bank account. The LLC's goal was to gain ownership of the Woodlake dam, lakebed, and marina, at the auction, so that we could then go on to reestablishing the lake.

A note to refresh our memories, *Judicial Judgments* accrue "seniority" by virtue of their **filing date** – **prior to** Steiner's purchase of the *Geosyntec* judgment the lien priority order was: *Geosyntec's* judgment, WLCC Corp's Deed of Trust (DOT), the Woodlake POA's judgment, and the Woodlake Class-Action lawsuit judgment.

On Friday, October 12th, the *Steiner Consulting, GmbH* purchased *Geosyntec's* judgment for ~\$374K, thus putting his ownership of the *Geosyntec* judgment first in the judgment seniority sequence, with the WLCC DOT next.

Ken Shedarowich, a Woodlake resident, has convinced Steiner and his Board, via a business development plan that was begun by the Business Development Sub-Committee of the RWLC, that with proper management and investment, WL could again be a going business concern. Based on this and other factors, Steiner purchased the Geosyntec judgment to halt the auction and potentially pursue that business plan.

Steiner's lawyer (Mr. Joseph Johnson) has been quoted as saying, "Steiner will bring WL back from its current sad state and make it a showplace."

An early indicator of change may be that Julie Watson is no longer employed by WLCCC, so we assume new management will be forthcoming.

It's too early to tell what Steiner's intentions are. We'll only know when we see observable, positive changes.

To preserve our options until we know for certain what the "New Woodlake" will be, we are keeping the "Bidding LLC" in place, and our POA and Class-Action judgments remain viable, because there was no auction; and thus, the Steiner (formally the Geosyntec) judgment has not been exercised.

The POA and RWLC will work proactively with any new Woodlake management team to help bring this situation to a successful conclusion – a successful conclusion would be a functioning lake, golf course, and Club.

To be sure everyone understands the roles of the various Woodlake entities, the following is a brief overview:

- **The POA:**
 - Overall management and governance of its assigned responsibilities – no change to what it's doing.

- **The RWLC:**
 - Oversight of the Class-Action lawsuit.
 - Management of the Bidding LLC.
 - Oversight of the Dam Rebuild, and the Political Action Committees.
 - Principal interface with local and State agencies on dam and lake matters.

- **The Incorporation Committee:**
 - Will continue its work to achieve Woodlake incorporation.

- **Ken Shedarowich** is the principal interface with WLCCC, Dr. Steiner, his Board and legal team.

Ken is traveling to Montreal to meet with Dr. Steiner, his Board and legal team to discuss the details of the business plan and chart a “New Woodlake” course of action.

Ken’s comments follow:

I am the author of the redevelopment plan and did so in order to begin the healing process and redevelopment of the Community. I could not stand by and watch the property be segmented into 10 individual pieces. It would have permanently destroyed any semblance of a unified community. I initially contacted Joseph Johnson and David Culmer and had to convince them to present my plan to Dr. Steiner. They presented the proposal to Dr. Steiner and he agreed to assist. Over the next 3 weeks our team worked hand in hand with Joseph and David to help convince Dr. Steiner’s International Funds Board of Trustees to release the funds necessary to stop the auction. This has given us time to begin solidifying what funds are really needed to meet the four phased redevelopment plan. I am the Official representative to Dr. Steiner and his company, but I simultaneously am representing the

community to Dr. Steiner. I do not want to work as a single entity, I want this to be a community effort. There has been and will continue to be transparency and bidirectional communication. I have read the recommended historical documents, but now it is time to begin writing new ones with the help of the community.

You have asked why Dr. Steiner has not moved sooner or has made any statement about his intentions with the property. Dr. Steiner's company is a passive investment firm. It does not have the structure to plan, implement or manage redevelopment plans. He cannot speak to the plan going forward because I have not yet briefed him on the entire Proforma and 4 phase redevelopment plan. John Kimber and I will be briefing him and his International Funds Board of Trustees in Montreal on the 30th of October. Janice Gilliland will be joining by Go to Meeting.

Joseph Johnson's role in his own words:

I am Woodlake CC's attorney. We are putting together proposals for better oversight and accountability for all future actions taken by Woodlake CC. Our hope is to be able to include members of the RWLC, POA, ARC, and community members in these roles. The problems with Woodlake seem to center around a lack of reception to the community's ideas by its prior owners and managers. I hope that at some point the stakeholders will recognize the great effort being taken to work with them and they can have confidence in the new management structure. Due to the legal issues with Julie Watson I am not able to discuss more on this subject at this time.

Redevelopment Lines of Effort in the Proforma:

1. Re-instate insurance on the property

2. Continue the process to open the Oates House
3. Establish a new management structure
4. Continue steps to re-build the dam and develop the marina

Upon my return from our meeting in Montreal I will provide an update in-line with my commitment of transparency and informational flow. I welcome all input and suggestions prior to my departure.

Thank you. Ken

The RWLC and POA realize at this point, there are more questions than answers, but we're working to garner additional insight, keep the community informed and be active participants in Woodlake's revival.

Moving Forward Together,

The POA Board and the RWLC