



WATERVIEW TOWERS ASSOCIATION, INC.

Board of Directors

Jerry Waldman, President; Tracy Sherman, Vice President; John Gildea, Treasurer; Helen Bossman, Secretary; and Al Irato, Director

October 18, 2014

Re: October 10, letter from Cheryl Chase

Dear Waterview Towers Owner(s),

By now, most of you have received or will soon receive a threatening letter from Cheryl Chase on behalf of the Palm Harbor Hotel regarding the hotel issue. The letter is simply a desperate attempt to cause infighting amongst the Waterview Towers family, dividing our united front.

The letter is a continuation of the tactics that have been used by Chase and its affiliates against Waterview Towers for many years. Ms. Chase's attacks on the board's efforts only serve to confirm the way they conduct business. The letter serves no legitimate legal or business purpose.

We did expect some act of desperation and this is it.

While we believe the letter is not worthy of a response, we know many of our owners may care to know more, so details follow.

Information to keep in mind when reading the Chase letter.

1. Ms. Chase never attended a meeting. All her information is second or third hand as spun by her employees (and seemingly city staff).
2. John and Jerry attended every meeting and along with the board, wrote and read every e-mail.
3. Ms. Chase's agenda is to maximize profit. She cares nothing of the well-being of our members.
4. The city's agenda is to allow developers to build buildings as large as possible to maximize tax revenues.
5. John, Jerry and the board's agenda is simply to insure that the value and enjoyment of our homes are protected, and we assume that that is the agenda of every other owner.

Advice from Tokyo Rose

Some of you may remember World War 2 movies (or the war itself) which depicted GI's sitting in foxholes listening to propaganda from Tokyo Rose warning them of their coming doom and to

“give up now, surrender and go home.” Her goal was to “help” the poor GI’s save themselves from ultimate destruction. We all know the end of that story.

Let’s clarify issues one at a time

Unfortunately we have to jump around because the letter we’re responding to is disorganized, so we are not necessarily responding each assertion in order.

1. At a meeting in August, Jerry and John were informed that the cost of the “north garage” was \$32 million. The townhouses surrounding the garage “would” be sold for \$12 million, leaving a short fall of \$20 million, of which Chase would pay \$1 million. Jerry asked Rick Greene, the Planning and Services Director for the City of West Palm Beach, who attended by phone, if the city would pay the other \$19 million. Mr. Greene said that he didn’t know of any funds available for that purpose. Any other conversation about the north garage included no detail.
2. A north garage would not alleviate the shade problem on our “new” pool as a new pool on proposed north garage would be shaded by WVT.
3. There was never a discussion of alternate costs and approaches. It was apparently the job of Waterview Towers to become the developers of the north garage, build and sell townhouses and operate and manage the new condominium units.
4. There was never any real offer to counter. The latest “offer” was signed by an attorney who never stated who he represented. The offer did not include any of the crucial information for which we repeatedly asked.
5. We noticed that Ms. Chase has access to the city staff’s documentation. We will likely have to obtain it by using the Freedom of Information Act, or requiring it during the discovery process as the lawsuits proceed.
6. The board has kept nothing from the owners and has no reason to.
7. Ms. Chase believes a \$1 million offer is so exciting that we will give up everything. The \$1 million number is repeated so many times it’s silly and condescending. (To put that in perspective, \$1M is about \$7,500 per unit that does not go into unit holder’s pockets.)
8. Yes, Jerry said “I wrote the letter”, despite the fact that the letter was actually written and agreed to by the entire board. In a phone call made by Commissioner Mitchell to Jerry, Commissioner Mitchell complained that the letter written by Tracy Sherman was filled with mischaracterizations and inaccuracies. Jerry, out of frustration, responded to her assertions by saying that “I wrote the letter so I happen to know every line is accurate and correct.” Jerry then challenged her to tell him specifically what was incorrect so we could straighten it out. She could not refute anything in the letter. A similar conversation took place at a meeting with the same challenge and the same outcome.
9. Richard Pinsky, (we don’t know who he actually represents) has repeatedly asked to address our members. John and Jerry told him that he could not until he answered some rudimentary questions and had something specific to present.
10. The meeting to which Ms. Chase referred began at 8:00 am at the request of John Gildea (we have the e-mail exchange showing this). Mr. Pinsky left the meeting angrily because Jerry and John did not agree with him on an issue. He said “the meeting is now over” and immediately reached over to the speakerphone and disconnected Commissioner Mitchell (without her permission) who was attending via phone. The city staff followed him out of meeting. Any objective observer would conclude that Commissioner Mitchell and the city employees in attendance worked for Mr. Pinsky.

11. While the city's ordinance calculates roof height without including mechanicals, our private lease agreement does not allow for a height of more than a 75' period. In fact, our agreement only allows a four story building which, including the foundation, may reach 55'. The mechanicals add another 20'. If you think about the number of stories and the permitted height, it all makes sense. The planned building on C-2 was to be 4 stories because our apartments begin on the 5th floor, therefore, Waterview owners would not lose their view.
12. Chase has not asked for a building permit because of the ongoing lawsuit. They cannot get a commitment from a hotel, a bank, title insurance, or anything else that has to do with building a structure.
13. There was, at a 2011 presentation to our building, a threat made by one of their representatives and heard by many of those attending, that if they couldn't get what they wanted they would build a McDonalds next door. We should always keep in mind that those are the people with whom we're dealing.
14. In their letter, "Fact 12" states that "the City has unlimited funds to fight development challenges and lawsuits". We're sure the taxpayers will be happy to learn Chase is counting on the City to expend unlimited taxpayer funds so that Chase can build a 90' green garage along the waterfront that the city commissioners all spoke against at the hearing.

Having said all of the above we are willing to negotiate a realistic resolution to our differences with Chase. We are open to any and all variations as long as the outcome is positive for Waterview Towers.

We suggest Chase begin the negotiating process promptly, and conduct it efficiently, as our first requirement in any negotiated settlement will be that we are repaid any legal fees we've expended to protect our homes.

Sincerely,

Jerry Waldman

Jerry Waldman, President
For the Board of Directors

Waterview Towers Condominium Association, Inc.

P.S. We will be going into greater detail for owners at the October 27th Town Hall Meeting and hold subsequent Town Hall Meetings as necessary.