

Message from the Board of Directors of the Diamondhead Property Owners Association

The Diamondhead Property Owners Association is confronting a significant challenge that has been on the horizon for years and has been addressed by previous Boards with great diligence. A key strategy pursued in the past was integrating language from the expiring covenants, which obligate property owners to support our amenities, into the Diamondhead Country Club and Property Owners Association Bylaws. While this approach was well-intentioned, the Board understood it could lead to legal challenges. The hope was favorable legal rulings would secure the organization's long-term stability as the covenants expired. The Board is mandated by its charter to maintain the amenities at the same standards as when they were initially transferred to the POA by the Purcell Corporation.

After over a decade in the court system, the outcome has not supported this path. Following much thoughtful deliberation and consultation, the current Board has decided not to pursue further legal appeals, including the case of Steven K. Byrd and Robert M. Reese v. Diamondhead Country Club and Property Owners Association, Inc. Your POA Board didn't make this decision lightly. Legal experts have advised us that success at the Mississippi Supreme Court is not guaranteed, and continuing on this path may not serve the best interests of our community.

Instead, we are shifting focus to explore new solutions to address this challenge. While some properties remain bound by permanent covenants, it is clear that their contributions alone cannot sustain the level of support needed for the community. The Board is actively seeking guidance from other property owner associations that have successfully navigated similar situations, learning how to balance expiring covenants, maintain continuity for those that remain, and preserve the amenities that make Diamondhead a truly special place.

In the meantime, we urge **all property owners to remain committed** to supporting our community by paying dues and helping us maintain the amenities that enhance our quality of life. Diamondhead is exceptional because of its safety, vibrant activities, beautiful greenspaces, friendly neighbors, and abundant leisure options. These qualities are worth protecting, and your ongoing support is vital to ensuring they remain part of our community's legacy.

This Board—and future Boards—will continue to prioritize Diamondhead's long-term strength and success. ***Together, we will find the best path forward to ensure our amenities' permanence and our community's bright future.***

Thank you for your understanding and commitment.

Sincerely,

Your Diamondhead Property Owners Association Board of Directors