

Mount Shaddai Home Owner's Association
4801 S.E. 17th Street
Gainesville, Florida 32641

June 20, 1997

Dear Member(s):

Having recently finished our Mount Shaddai Home Owner's Association Annual Meeting, I thought it would be a good idea to give you an update on the results of this meeting. Enclosed is a copy of the minutes of this meeting for your review and records. As you review these minutes, you will note that this was a very important meeting. If you are wondering why I am writing...well, it's simple, the membership voted to keep the same Board of Directors and the Directors elected the same officers to represent you. The elected officers appreciate the vote of confidence and be assured we will do our best to move forward with responsible management of your association.

The most important discussion at the meeting centered around the water system. The results of the completed engineering evaluation were presented. A copy has been enclosed for your review. Although the current water testing has been excellent and much has been accomplished this year, there are still two important projects to complete in order to obtain state certification. Without a state certification, the community water system of which many of you are a part could be shut down by the State of North Carolina for non-compliance. To prevent this unacceptable option, the membership voted to continue our on-going program to obtain state certification. Shown below are the water system projects outlined in the engineering report and the status of each:

(1) Improve and enclose the well head and provide the appropriate piping and injector pumps for chemicals as required by tests. Examples: chlorine, potash, etc. Status: well house completed; installation of chemical injector pumps and related piping will be completed this year using current funds.

(2) Improve and expand the current water reservoir system which includes adding an additional 5,000 gal. tank and refurbishing the existing tank and associated piping, engineering drawings and contingency. The approximate cost for this work is \$26,000. Status: needs to be completed within the next 24 months.

(3) Check and improve existing water distribution system...includes verifying appropriate size distribution pipes, buried depth of pipes according to code, appropriate valves (cut-off and pressure relief). Status: complete immediately after project (2).

In order to complete project (2), the membership voted a special assessment of \$750. for each lot with a house/cabin and \$350. for each lot with water available. This assessment may be paid in full or paid monthly during the next 12 months (August 1, 1997-July 1, 1998). Unless

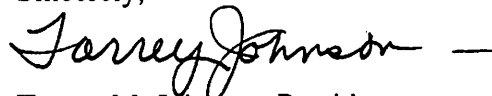
you wish to pay the entire amount immediately, you will be provided a monthly bill indicating the amount owed on account. A small service charge will be added to your invoice for extended payments. We recognize that this is a substantial assessment. However, the option of drilling an individual well or not having water to your property was not deemed a viable option by the voting membership at the meeting. For your information, the cost of drilling can range from \$3,000 to \$7-8,000 without a guarantee of water..

The last major area of discussion at the recent meeting was the status of the negotiations with the Whispering Springs Association on shared maintenance costs on the common main road used by both associations for ingress and egress. On April 19, 1997, I traveled to the Whispering Springs' annual meeting in St. Petersburg. At this meeting, I presented options for their consideration in arriving at an equitable solution to this matter. At the time of both meetings, the Whispering Springs Association did not contribute towards the maintenance of common roads and we were desirous of them doing so. At our meeting, your membership voted to request a one time \$2,000 contribution toward the asphalt repair of the entrance roadway completed and paid for last year. Also, commencing January 1, 1998 the percentage each association has of the total homes/cabins combined would be applied towards a base maintenance cost of \$4,000. This base cost figure was derived from actual costs spent by Mt. Shaddai during calendar year 1996 on the common road. Naturally, the amount and percentage would be subject to change on January 1st each year depending on changes occurring during the previous year. All other major improvements would be shared on the same percentage basis after conferring with Whispering Springs and reaching a consensus.

After discussion and a vote among the membership of the Whispering Springs Association, they declined our request for a \$2,000 contribution but did contribute a maintenance fee based on the aforementioned formula of the ratio of each association's homes/cabins to the total. We are now in receipt of a check in the amount of \$1,080 for shared maintenance costs for calendar year 1997 and commencing January, 1998, The Whispering Springs will contribute an amount using the aforementioned formula.

These are the most significant issues discussed at our meeting and we felt it most important to convey this information to you. Thanks for your support. Please contact me if you have any questions.

Sincerely,



Torrey M. Johnson, President
Mount Shaddai Home Owner's Association