

August 7, 2006

Dear Lake Holiday Member,

Property owners recently received and were asked to sign two forms: one form called for a Special Meeting, the other was a proxy form for voting. At first a Special Meeting seemed to me to be a good idea because it would be an opportunity for everyone concerned to: 1. become more fully informed about grievances which led to a \$4,000,000 law suit, and 2. about attacks on our Association and individually on fourteen members of the Association, and on the President of the Association in particular. I thought a Special Meeting would be an opportunity for me and all other eligible voters to evaluate the qualifications of individuals being nominated to serve as new directors. However, since the only business that can be conducted at this Special Meeting is the potential removal of Directors, and the election of replacement Directors, I finally concluded that a Special Meeting is unnecessary and inappropriate. Perhaps my own educational process in arriving at this conclusion may be of interest to you.

Members of the Association are entitled to know the real motivation behind the law suit filed by a builder/member. Any unfavorable future judgment by the presiding judge could make our current and some former directors individually financially liable. Members have a right to know also the intentions of the group of individuals that could be elected by proxy, when it comes to spending \$4,000,000, or whatever amount might eventually be awarded in this suit, and the nature of their relationship with whatever proxy holder nominates them. In an effort to become more informed about the issues, I attended meetings of the Board of Directors, Round Table discussions with the President of the Association and board members, and hearings at the Frederick County Circuit Court. I also did a fair amount of fact finding by reviewing documents and records at the Office of the Association.

As part of my fact finding and acting independently and on my own initiative, I wrote a draft brief entitled, "Wake Up Lake Holiday – Avoid Disaster." The draft brief was given to certain parties involved on both sides of this legal case to validate my understanding of the facts and to elicit additional relevant information. I was pleased to receive responses which helped to clarify matters considerably. At the very least, I discovered that there is much history and information that I still do not know. Many good things have happened at Lake Holiday in recent years. In thinking through the history, it is obvious to me that the President of the Association, and individual directors and officers, and others deserve to be acknowledged for their contributions and accomplishments.

The challenges lodged against the Utility Company have already been thrown out of court and dismissed. It seems to me that the dismissed law suit already has had significant detrimental effects insofar as it continues to contribute to divisiveness in the community, results in significant costs to home owners for legal defense of the Association, and increases operating costs associated with the Utility Company. There are other factors to consider such as the adverse impact on sales of homes and lots at Lake Holiday. I concluded that no matter what efforts are made for negotiations and peacemaking, the legal process will run its course in court.

There really is no urgency to hold a Special Meeting before the Annual Membership Meeting in October, when the general election for new directors will take place. About two and one-half months from now the Association will hold elections for new directors. The President of the Association will have completed his term of office and will step aside as President, although he will continue to serve on the board. A call has gone out from the Lake Holiday Nominating Committee to the entire community asking for nominations of candidates to serve as new

directors. It seems to me that this process provides a fair opportunity for anyone to be elected as a director, including the proxy votes.

The current directors and officers of the Association are our neighbors who serve us voluntarily sacrificing a great deal to improve the quality of life for all of us at Lake Holiday, while many residents remain silent and uninvolved. Having a Special Meeting could conceivably have further adverse consequences in discouraging potential new candidates for the board of directors and by removing some hard working, dedicated directors and officers. Furthermore, the Special Election could take place at a time when many members are away on vacation. As matters stand, anyone who is seriously interested in representing property owners and serving on the board of directors can make that fact known to the Lake Holiday Nominating Committee now.

Individuals who signed proxies still have time to rescind and withdraw their proxy votes, if they choose to do so, and if they act fast. At the very least those members should pause to consider the implications for the Association and for everyone at Lake Holiday by allowing their proxies to remain in effect. In the event you have signed a proxy vote (or know of someone who did) and intend to cancel it, your notice must be in writing and be sent to the proxy holder indicating your intentions. This decision must also be sent in writing to the Secretary of the Board of Directors for the Association.

This is a critical time for those of us who live at Lake Holiday and own property here to privately seek divine guidance, to pray, and in the privacy of our own homes to participate in a sort of "Lake Holiday Sacred Summit." Your intervention in this way and with God's blessings are, I believe, essentially the only way to eliminate divisiveness, to quench fires of hatred and distrust wherever those feelings exit, and whenever negativity arises. Positive changes will happen, but only if a critical mass of people awaken in time. Imagine that you are running through a burning building. Your job is to wake up and warn residents, and to raise consciousness in time to avoid future disasters, and to vote wisely when the time comes. Please alert your neighbors to the need to strengthen and support our community and Association; to pray and be informed about what is happening in our community. Thank you for taking time to read and heed this wake up call.

Sincerely yours,

Edward E. Winchester
Friendly Neighbor and
Resident property owner, Section 2 Lot 382

cc: Secretary of the Association, Mr. Chris Anderson