

# Lake Holiday

May 25, 2006

Dear Lake Holiday Member,

A Record Date is the date at which Eligible Membership is established prior to a Membership vote. If a Member is delinquent on any financial obligation to the Association or in non-compliance with the Association Documents, that Member is not an Eligible Member for a Membership vote. Financial obligations to the Association are delinquent if payment is not received by the end of the month for which a payment is due.

Our present governing documents are silent concerning the establishment of a Record Date. Therefore, to assure full compliance with the provisions of the VA Nonstock Corporation Act, 13.1-842 (4-D), the Record Date for our June 10, 2006 Special Meeting of Members is May 1, 2006. While retaining the May 1, 2006 Record Date, to encourage the greatest possible participation in this important vote, the Board of Directors has elected to establish a grace period for the June 10 vote. The following motion has been approved:

For the June 10, 2006 vote on the Amended and Restated Articles of Incorporation and Bylaws: Move to allow a grace period, ending at the close of business on June 6, 2006, for Members to pay all delinquent accounts and establish Eligible Membership status. A letter confirming this grace period to be sent by first class mail to all Members on May 25, 2006, allowing a reasonable time for receipt and to make all necessary payments. Such payments must be received by the close of business on June 6.

Compliance violations must be positively resolved by the close of business on June 6 to re-establish Eligible Membership.

This grace period applies only to the June 10, 2006 vote and does not establish a precedent for future votes or Boards. Those Members who are currently delinquent and wish to vote on the Amended and Restated Articles of Incorporation and Bylaws must comply with the above to establish Eligible Membership. Eligible Membership status does not apply to qualifying to vote on the Amended and Restated Declaration. To vote on the Amended and Restated Declaration you must be the Lot Owner of record as of June 10.

Thank you,



Chris Allison, LHCC Board President