

Eagle Dunes Homeowner's Association, Inc.

ADVANCE NOTICE OF ANNUAL MEMBERSHIP MEETING

"A Revised 2009 Budget is under review by the Board of Directors"

The Annual Membership Meeting will be held April 23, 2009 at 7:00 p.m. at the Hampton Inn, 19700 U.S. Highway 441, Mount Dora, Florida 32757. Sign-in will begin at 6:30 p.m. The official notice and other pertinent information is being mailed to all homeowners this week.

One of the main discussion topics of the annual meeting will be the immediate need for a revised budget for 2009 due to the large number of delinquent homeowners that are not paying their assessments as a result of foreclosures and bankruptcies. Several budget and assessment alternatives are under review by the Board and will be discussed at the annual meeting. The purpose of putting this matter on the agenda for the annual meeting is to have a forum to present the current state of the financial condition to the homeowners and the alternatives being considered to improve the situation.

The Board of Directors will meet immediately following the annual meeting to review and approve a revised 2009 budget.

The Board and the management company certainly understand the difficult economic circumstances many homeowners are facing and that the last thing anyone wants to be faced with is an increase in their annual assessment. With this in mind, the Board has delayed this action as long as possible, but the financial situation of the association is at a point that action must be taken to either increase available income to pay bills, reduce or eliminate services provided to the community and/or a combination of both to effectively continue to operate the community. The amount of delinquent homeowners has increased 63% over the past year and as of the end of March 25% of homeowners are not paying their assessments due to pending foreclosure or bankruptcy. The number of liens on homes due to non-payment of assessments has increased 50% over the past year and the number of foreclosures has increased 46%. It is not known if this trend will continue or level off throughout the balance of the year, but at this time there is not enough monthly income being received to pay the bills of the association. Many of the vendors that provide services to the community have extended credit to the association beyond what is normal and customary, but this can not continue indefinitely without some interruption in service or a reduction in the services provided.

Further details of the proposed "revised 2009 budget and assessment" will be provided to you in the official meeting notice you will be receiving via U.S. Mail within the next few days. If you do not receive this notice, a copy of the entire notice and supporting documents can be found on the HOA web site at www.eagleduneshoa.org under "Documents" and the file labeled "Notice of Annual Meeting". This package contains a Question and Answer sheet that should help answer many of your questions regarding this matter. Homeowners are also encouraged to attend the annual meeting to obtain further information.

Signs announcing the annual meeting will also be placed throughout the community as a reminder to all homeowners of the upcoming meeting.