

To: The Homeowners of University Place
From: Board of Directors
In re: Verbal Settlement of Our Dispute With Developers
Date: March 21, 2007 (Monthly Board Meeting)

We reached a verbal agreement yesterday resolving our disputes with Pat Neal on behalf of the Developers of University Place. We emphasize "verbal" for further cooperation will be needed in fine-tuning the agreement and reducing it to writing. These are the basic elements of our verbal agreement:

1. Mr. Neal will cede any claims to ownership of the surface and subsurface waters (including ponds and lakes). The Developers will leave and the homeowners will own, through the HOA and the CDD, the community of University Place.
2. The Stormwater License Agreement will be rescinded and the water fee will cease to exist.
3. The Association will pay \$425,000 financed at low interest rates over 30 years by refinancing the CDD debt at significantly lower interest rates. There will be financial savings to the homeowners through these arrangements and they spread the costs over time to share the costs among those who will benefit. It is our hope and expectation that this settlement will have a positive impact on property values in University Place.
4. There will be an early takeover of the CDD at a date and under terms to be worked out.
5. We will continue to keep the homeowners informed as we move forward. In particular, we will give you a more detailed explanation of this agreement at the March 31 meeting.
6. We want to express our deep appreciation to all the homeowners for your support of our efforts to secure justice. The efforts of all the volunteers working long hours together for the good of the community is deeply appreciated and bodes well for University Place as we move forward to build our Community.