

Memorandum

To: Members of The Downs of Hillcrest Residential Association, Inc.

From: Judd A. Austin, Jr. - Henry Oddo Austin & Fletcher, PC

Re: Corrected Fifth Amendment to The Downs of Hillcrest Declaration

As some of you may be aware, Henry Oddo Austin & Fletcher, PC has had the privilege of serving as counsel to The Downs of Hillcrest Residential Association, Inc. (“The Downs”) for almost 20 years.

Recently, the Board of Directors for The Downs has spearheaded an effort to amend the Amended and Restated Declaration for The Downs of Hillcrest (the “Declaration”). The purpose of the amendment to the Declaration (the “Fifth Amendment”) was to introduce a Working Capital Transfer Fee that would come due at closing on most but not all sales or transfers of title. The Fifth Amendment which was circulated earlier to the membership for consideration did not adequately reflect the intent of the Board of Directors as it pertains to limitations imposed on the Board of Directors when increasing the amount of the Working Capital Transfer Fee in the years to come.

We have revised the 5th Amendment to correspond to the true intent of the Board of Directors. To that end we enclose a revised 5th Amendment for your consideration. We direct your attention to the proposed addition to Article V of the Declaration of a new Section 5.12. Of importance is the language which makes it clear that the amount of the Working Capital Transfer Fee will be the exact amount of the Annual Maintenance Assessment then in effect for the lot made the subject of the transaction. Of greater importance, however, is clarification as to the amount which the Board of Directors may increase the Working Capital Transfer Fee. In the last sentence of the proposed Article V, Section 5.12 of the Fifth Amendment you will find clarifying language. The effect of this clarification is to prevent the Board of Directors from increasing the Working Capital Transfer Fee unless the Board of Directors or the Members have already increased the Annual Maintenance Assessment. The Board of Directors is limited in imposing increases in the Working Capital Transfer Fee in the same manner as it is limited increasing the Annual Maintenance Assessment under Section 5.04 (a) of the Declaration.

So, how does this affect you as a member of The Downs? In the event you have previously cast your vote in favor of the 5th Amendment as originally circulated, and do not wish to change your vote, then you need to do nothing, and your vote will be counted in favor of this revised 5th Amendment. Of course, if you wish to change your vote and cast the vote against this revised 5th Amendment you are free to do so. On the other hand, if you previously cast your vote against the 5th Amendment as originally circulated but, due to the clarifying language in the enclosed 5th Amendment wish to change your vote, please contact SBB management company and request a new ballot. The most recently cast ballot will be operative for voting on the revised 5th

Amendment. To obtain a new ballot, please contact Eusty Hermida at SBB at 972-338-9574 or via electronic mail e.hermida@sbbmanagement.com.

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