

December 30, 2005

VIA FACSIMILE AND U.S. MAIL

Larry C. Oldham, Esq.
416 Pirkle Ferry Road
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Jay Pontrelli
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RE: High Gables Homeowners Association, Inc. v. Oldham
Superior Court of Forsyth County, Georgia
Civil Action File No. 05 CV 2005

Dear Mr. Oldham:

I have relayed the settlement proposal outlined in your letter dated December 13, 2005 to the High Gables Homeowners Association, Inc. Board ("HOA"). Your proposal is rejected. A counterproposal is offered:

1. HOA dismisses its Complaint with prejudice. You dismiss your Counterclaim and Third-Party Complaint with prejudice.
2. The parties enter a mutual release and settlement agreement.
3. You immediately contact Peachtree Post & Box Company, Inc. ("Peachtree Post"), make full payment, and have Peachtree Post install the approved mailbox and post assembly. No ACC approval is needed to use this vendor.
4. The High Gables Architectural Control Committee ("ACC") will accept your existing entrance landscape work as temporary completion once the mailbox from Peachtree Post is installed. You will submit final landscape plans for ACC approval to include drawing and description of plantings prior to installation. The plans are to be submitted within ten (10) days of settlement, and the work is to be completed no later than May 1, 2006.
5. You will pay an amount equal to the cost of HOA's legal fees. I estimate the fees to be in the \$7,000.00 range and will provide you an exact number upon your request. The \$25.00 per day fine, which has accrued to \$2,875.00 through December 29, 2005 will be waived. If you do not accept this settlement then HOA will request the Court to award it all legal fees and all fines.

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6. The monetary payment will be made by cashier's check payable to "High Gables Homeowners Association, Inc."

7. You will meet with Bob Clark, David Marchat, Morris Zoblotsky, Jay Pontrelli, and Peter York to sign off on all settlement documents and submit the settlement check at the Conference Room at Heritage Property Management.

8. You will remove all information relating to HOA and this action from your website with no further comments and no comments about the settlement.

9. You will send no additional letters to the community regarding these issues.

10. The Board of Directors will direct Heritage Property Management to send out a basic letter stating that the parties have reached a settlement. Members can attend the annual meeting in September 2006 and learn the details.

If this offer is not accepted then HOA will proceed with litigation and request to be awarded all legal fees and fines and defend itself against the frivolous countersuit.

Please respond to this counterproposal no later than January 6, 2006.

Sincerely,



Jay Pontrelli

PJP:mlc

cc: Robert Clark, High Gables Homeowners Association (via facsimile and U.S. Mail)
Morris Zoblotsky, Heritage Property Management (via facsimile and U.S. Mail)
T. Matthew Mashburn, Esq.