



December 2014

Dear Riverwoods Townhome Owner,

The Townhome monthly assessment has been unchanged at \$170 since 2012. The base townhome assessment for 2015 will remain the same for the 4th year. However the circumstances described below dictate that the total Monthly Assessment for 2015 be increased by \$13 to \$183 in order to provide for the Ash Tree Remediation plan.

We have previously advised you about the Emerald Ash Borer threat to the approximately 315 common area Ash trees in Riverwoods via mail & email (4/26/14), at the Annual Meeting (6/10/14) and on the community website <http://www.riverwoodsathnewhope.org/emeraldashborer.html> posted on 6/11/14. There is no evidence of infestation here yet but all of the experts tell us it is inevitable and the impact will be total.

Our potential cost for the takedown & removal of the common area Ash trees is estimated at more than \$325,000. The simple arithmetic is that if we wait we will pay more per year than if we begin now and accrue the funds over a 10 year period. Of course we do not know whether or not we will in fact have 10 years to implement our Ash Remediation Plan; once the infestation begins it might be more aggressive and create the serious hazard of brittle, dead ash trees (many more than 100 ft. tall) to property & residents sooner than that.

Doing nothing is not an option; increasing our monthly assessment by \$13 will allow us to accrue funds that we hope will be sufficient to implement the Ash Remediation Plan when it happens. If by some chance the infestation does not happen, these Ash Tree Remediation funds will be available to reduce future annual assessments. The funds will be accounted for in a clearly identified separate category and will not be used for any other purpose.

Enclosed is your 2015 coupon booklet. Prior to mailing, please place your name and the address of the unit you own on each coupon and ensure that the coupon is for the appropriate month you are paying. As a cross check, also place the month of your payment on the face of each check. If you use an online banking service, please use the address of the unit you are paying for as your account number.

IMPORTANT NOTE: Due to heightened financial security restrictions, the Association can only accept checks made payable to the Association. Checks made payable to the Management Company will not be accepted and will be returned to you. If you use an on-line payment vendor, please ensure that they have the proper payment information.

If you wish to pre-pay your account, you may do so, however post-dated checks will not be accepted. Any post dated checks received will be returned to the owner for proper dating. In addition, **payments ARE NOT accepted at the management office**, and must be mailed to the P.O. Box indicated in your coupon booklet.

We would like to remind everyone that the Association payments are due on the FIRST of each month. If your payment is not **RECEIVED** by the 15th of the month, an automatic late charge is assessed. Postmarks are not used to determine the time of payments. If you mail your payment late, please automatically include this \$15 late charge with the monthly payment.

A copy of the Association's 2015 Budget is enclosed for your information.

Sincerely,

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION

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RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
TOWNHOME AREA
2015 BUDGET

INCOME

Assessments	\$28,290
Interest	710
Miscellaneous	<u>320</u>
TOTAL INCOME	<u><u>\$29,320</u></u>

EXPENSES

Grounds Maintenance	\$10,320
Management Service	5,750
Trash Removal	3,910
Snow Removal	2,000
Site Lighting	320
Repairs & Maintenance	240
Corporate Tax	<u>20</u>
TOTAL EXPENSES	\$22,560

CAPITAL RESERVE

(Includes Interest of \$710)

TOTAL EXPENSES & RESERVE

<u>6,760</u>
<u><u>\$29,320</u></u>

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
TOWNHOME AREA
2015 BUDGET ANALYSIS

INCOME

Assessments: The total monthly assessment, including each owner's share of the Master Association expenses, is \$183, an increase of \$13. Each owner's share of the Master Association's annual assessment is \$849 or \$70.75 per month, for maintenance of the entire community's common ground, excluding trash removal.

Interest: Projected at 1.0% on the Association's reserve fund.

Miscellaneous: The Association is reimbursed by New Hope Borough for electricity charges for four street lights.

EXPENSES

Grounds Maintenance: Service to the private lots includes 25 mowings per year, regular edging of sidewalks, spring and fall cleanup, turf applications to all lawn areas plus mulching and edging of the shrubbery beds in the spring. Individual homeowners are responsible for insect control and replacement of their shrubbery and trees. Maintenance of the common ground beyond the individual lots is the responsibility of the Master Association. An additional \$780 is budgeted for non-contracted landscaping services.

Management Service: In accordance with the existing Management Agreement.

Trash Removal: The Association is responsible for twice weekly curbside trash removal and once weekly recycling service. The budget is based on a projected monthly cost of \$15.50 per home.

Snow Removal: Parking areas will be plowed when there is an accumulation of two or more inches of snow. Homeowners are responsible for shoveling their entrance walks and the sidewalk in front of their homes. The budgeted amount is based on the average expense of the prior four years.

Site Lighting: The Association is responsible for electricity to the four parking lot lights, at a projected monthly cost of \$27.

Repairs and Maintenance: Projected at \$20 per month.

Corporate Tax: The Association is responsible for paying tax on its net interest income.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
TOWNHOME AREA
2015 BUDGET ANALYSIS
- continued -

CAPITAL RESERVE: In accordance with the Capital Reserve Analysis, the monthly unit contribution is \$24. In addition, the interest earned on the reserve fund, projected at \$710, will be retained in the account.

In accordance with the Association's documents, the Association is also responsible for replacement of siding. It is anticipated that the vinyl siding will last for the life of the building, so funds have not been reserved for its replacement.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
COMMON AREA
2015 BUDGET

INCOME

Assessments - Singles	\$215,280
Assessments - Townhomes	17,830
Resale Capital	9,250
Interest	6,100
Miscellaneous	1,500
Late Charges	<u>750</u>
TOTAL INCOME	<u><u>\$250,710</u></u>

EXPENSES

Grounds Maintenance	\$62,180
Trash Removal	38,690
Snow Removal	26,000
Management Service	11,460
Pond Maintenance	5,250
Office & Administrative	3,040
Insurance	2,950
Repairs & Maintenance	2,700
Legal & Accounting	2,500
Site Lighting	1,500
Corporate Tax	<u>740</u>
TOTAL EXPENSES	\$157,010

CAPITAL RESERVE & CONTRIBUTED CAPITAL
(Includes Interest of \$5,900)

59,350

ASH TREE REMEDIATION RESERVE

34,350

TOTAL EXPENSES & RESERVE

\$250,710

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
2015 BUDGET ANALYSIS

INCOME

Assessments - Singles: The annual assessment for each detached single home is \$1,035, an increase of \$150. This is the first increase since 2012.

Assessments – Townhomes: The monthly townhome contribution to the Master Association is \$70.75, an increase of \$12.50. The townhomes will also be assessed for services provided solely to them; please refer to their separate budget.

Resale Capital: It is projected that one townhome will be resold and pay a capital contribution of \$250 and 12 single homes will be resold and pay a capital contribution of \$750. These funds will be transferred to the capital account.

Interest: Projected at 1.0% on the Association's operating, reserve and capital funds.

Miscellaneous: The Association is reimbursed by New Hope Borough for electricity charges to ten streetlights.

Late Charges: It is anticipated that some owners will pay their assessment late and incur late charges.

EXPENSES

Grounds Maintenance: The Association is responsible for maintaining the common open space, comprised of 18 acres. The Association will mow these areas approximately 25 times per year. The grass areas will receive turf applications in the spring and fall. In addition, the Association owns other common areas that will remain in their original, natural condition or that contain wetlands, which may not be disturbed. The budget also provides \$7,770 for the non-contracted landscaping services.

Trash Removal: The Association provides trash removal service for all homes. The monthly unit cost for the single-family homes is projected at \$15.50 and includes recycling service.

Snow Removal: The Association is responsible for plowing snow on the roads and hand shoveling snow from the sidewalk along common ground. The budgeted amount is the same as the 2014 budget. If the Association is over budget in 2015, a special assessment may be needed.

RIVERWOODS AT NEW HOPE COMMUNITY ASSOCIATION
2015 BUDGET ANALYSIS

- continued -

Management Service: In accordance with the existing Management Agreement.

Pond Maintenance: Funds provided for applications to the pond.

Office & Administrative: Includes the estimated cost of office stationery, bank service charges, postage, copying, court costs and other miscellaneous Association expenses.

Insurance: The Association will maintain coverage on the common ground, directors' & officers' liability insurance and general liability insurance. Owners are responsible for insuring their homes, including building coverage, personal contents and liability coverage.

Repairs & Maintenance: Projected at \$225 per month for general repairs of the common area not included in the grounds maintenance budget.

Legal & Accounting: The Association will employ an accountant to prepare an independent financial statement and tax return annually. Funds are also provided for routine legal services.

Site Lighting: The Association is responsible for electricity to the ten site lights, at a projected monthly cost of \$125.

Corporate Tax: The Association is responsible for paying tax on its net interest income.

CAPITAL RESERVE & CONTRIBUTED CAPITAL: In accordance with the Capital Reserve Analysis, each unit will contribute \$193 annually to the fund. In addition, all interest earned on the capital reserve fund, projected at \$5,460, will be retained in the account.

The Association has a total Capital Contribution Assessment of \$9,250 budgeted for all resales of homes within the community. Any assessments received for resale Capital Contributions will be placed in the Capital account. All interest earned on the Capital funds, projected at \$440, will be retained in the account.

ASH TREE REMEDIATION RESERVE: Funds being reserved for the future anticipated removal and/or treatment of the community's many common area ash trees due to the impending Emerald Ash Borer infestation. The annual unit contribution for the 2015 budget is \$150.