

January 7,2009

Important Notice to Riverwoods Homeowners

You may recall that earlier this year we notified all homeowners that there were some indications that the Borough of New Hope might have some interest in accepting the roads in our community as public roads. They are currently private roads, owned by you through the Homeowners Association. No specific details regarding the terms of any such potential transaction were discussed at that time, or since.

At that time we asked all homeowners to respond to a survey letter which recited the above and asked if they would be supportive enough of the concept to encourage the Board to at least proceed to the next step in the process, an evaluation; 81% of those responding indicated support for that but only about 20% of all homeowners responded.

That step is now completed. It involved one informal meeting with the Borough Manager and evaluating the various cost components and related risk issues to assess whether or not there might be a meaningful financial benefit or other advantage to the homeowners if a successful negotiation could be achieved.

The result of our evaluation at this point is that there could be significant near term and long term benefits from allowing the Riverwoods roads to become owned by New Hope Borough.

The potential near term benefits include:

- the use of some or all of the current Paving Replacement Reserve (more than \$100,000) to virtually assure **no increase in future Association Fees for about 7 to 10 years**
- the elimination of snow plowing costs from our annual budget which amounts to a **reduction of more than \$100 per single family home per year.**
- the consequent **increased salability** of Riverwoods homes vs. other developments

The significant long term benefits include:

- **the elimination or reduction of financial liability of the homeowners for an unforeseen or catastrophic event involving the roads.** Note that currently for example if the pond drainage piping failed and somehow undermined The Deer Path road, a special supplemental assessment would be required to finance the repair. The probability of this happening is very low but possible.

As we pointed out in our previous letter on this subject the potential risks to us regarding such a change in road ownership include:

- Uncertainty about the potential impact of transfer of control and decision making rights to the borough on the roads
- No longer able to set community specific rules
- Rules of the road & traffic regulations would be governed by PennDOT and New Hope Borough Law

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Additionally we feel obligated to point out that at our public annual meeting, where the subject was discussed, a few attendees expressed fears such as:

- Parking meters might be installed on some of our streets
- Parking might be allowed on the entrance hill or restricted in some ways
- Traffic from River Road might be re-routed through Riverwoods

We believe these to be largely unfounded but would of course try to include sufficient legal protection in any agreement against such actions should we reach that stage.

One important element in our planned approach to these discussions with New Hope Borough is that in order for the Borough to seriously consider this change in road ownership the Borough must have a reasonably clear indication that a large proportion of the Riverwoods homeowners are in fact in support of such a change. The few outspoken attendees at the annual meeting created an impression of little support.

Also we, the Board, only want to do what is in the best interests of the homeowners and we do not want to waste our time and energy or that of the Borough if the majority of homeowners are not supportive.

Attached therefore is a survey questionnaire asking you that if we can develop an agreement with the Borough that provides sufficient near and long term benefits to our homeowners and also provides strong legal assurance against unreasonable future actions that would affect our quality of life and the use of the roads, would you be in favor of or opposed to the proposed change in ownership of the roads in Riverwoods?

It is essential that we hear from you regardless of whether you are in favor of or opposed to the concept, please take the few minutes required to complete and return the survey before January 15, 2009.

Should a large proportion respond in favor of going forward we would then approach the Borough to begin discussions, please note that no agreement, if any, will be finalized without prior review and discussion with homeowners. This is not a final vote in any way, nor will this be done hastily.

Remember that the basic rationale for considering this change is that **we currently are essentially paying twice for the basic municipal services of snow plowing and road repair & maintenance.** Our taxes pay for everyone else's roads and our association fees pay for our roads. Instead of being shared by the more than 2,500 New Hope taxpayers the cost is borne only by the 229 homeowners of Riverwoods. Some of our political representatives on the Borough Council understand this inequity and are willing to work with us to consider changing it – but only if you want it. Please tell us.

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Homeowner Survey on the matter of: Potential Change in the Ownership of Riverwoods Streets

The attached letter provides the details available to date.

A large number of responses (positive or negative) to this Survey is necessary to allow your Board and the Borough of New Hope to decide whether or not they should spend the time & energy that such a discussion process will inevitably require. We urge you to spend the few minutes required to complete and mail this one page. It's important to you!

Survey Question:

Based on the conditions that:

- ▶ Any final agreement will reflect:
 - Significant near and long term benefits to the Riverwoods community
 - Protection against unreasonable changes in the current use of the streets
- ▶ The implementation of any such agreement will be subject to the approving vote of two thirds (66.7%) of the homeowners;

Do you support the concept of changing ownership and moving forward to the next step of developing a mutually agreeable proposal with the Borough of New Hope?

My Survey Response: (one response per homeowner)

I **do support** the concept and approve moving forward to the next step: _____ (initial)

I **do not support** the concept or moving forward to the next step: _____ (initial)

Name: _____

Address: _____

Comments (Optional):

Mail by February 15, 2009 to: Riverwoods Homeowners Association
975 Easton Road Suite 102
Warrington, PA 18976