

November 19, 2005

Ed –

See my comments in red below.

Thanks,

Scott

41605 Swiftwater Drive  
Leesburg, VA 20176  
1 November 2005

Mr. Darrin S. Cassidy  
Community Association Manager  
Armstrong Management

Dear Darrin:

Subsequent to our conversation of today regarding the Raspberry Falls HOA 2006 Budget, I am providing the following comments on the draft discussed at that meeting.

1. On the cover page in the letter to homeowners, you mention “the projected five year budget/assessment”. This would be very helpful to us, as has been requested in the past, and we look forward to seeing it. I suggest that a list of assumptions be included with that assessment. **The 5 year budget will be delivered by 12/31/05.**
2. In the General Budget Discussion section, we’ve already mentioned correcting the spelling of Merv Forney’s name. Also, it was agreed to delete the reference to “a final in-kind contribution to the HOA in 2006”, and change it to “an in-kind contribution to the HOA in 2006”, which takes into consideration several factors including the possibility that Van Metre may still retain control of the HOA going into 2007, given the current declining condition of the housing market. **I revised the language accordingly.**
3. In reviewing the attachment of the community map, for the first time I was able to focus on Hamlets D-1 and D-2, the layouts of which are substantially different from those previously provided to us as homeowners. Hamlet D-1, in particular, is much smaller than the earlier versions seen, and raises an important question related to common areas and their care. Are there to be additional common areas for these two hamlets not previously known to us? D-1 now appears to occupy about half the area previously allotted, and it appears that there may be substantial additional areas for maintenance. Possibly that may also apply to D-2 if the areas on both ends of that section are to be considered common HOA property, giving further rise to my concern that Van Metre will continue to have an interest in maintenance of the

community. The cost of those areas, to the best of my knowledge, is not included in the maintenance budget for 2006, and may not actually come into being until 2007. As discussed briefly in our telephone conversation on Friday, these areas, that you refer to, will be left as open space and in its natural condition. No mowing will be necessary. Therefore, little to no maintenance cost will be associated with these areas.

4. Several clarifications are needed on explanations. As I read the section on Homeowner Capital Contribution, it appears that this will go up from the present level (2 months times \$125/month vs 2 times \$79/month). Can you please confirm that, and it may be appropriate to put the new amount in the explanation. You are correct in saying that the Homeowner Capital Contribution will be going up. The Homeowner Capital Contribution is pegged at 1/6 of the new homeowner's annual assessment.
5. Under Management Contract, please clarify that the amount is a function of the number of homes which have been sold/settled, and state the amount per home per month. It might also be appropriate to mention that the contract will currently expire the end of 2006. I included this information in the final version of the 2006 Budget Narrative.
6. Many HOAs have their annual expenses audited by a committee of homeowners. I have actually been part of this for previous organizations and it could be a way to save some money. An audit is required per section 9.3 of the bylaws.
7. Please clarify the discussion of "Bank Charges". I don't understand the discussion on the monthly lock box, my understanding to that term being that it usually relates to the handling of mail for payments, which you indicated is not the case here. After additional research by Darrin Cassidy, Bank Charges are no longer needed. This item was reduced to zero on the final version of the budget.
8. Also, please clarify "Assessment Processing". This is the cost for the coupon books sent to owners for processing their payments via lockbox at Firsttrust Bank and also the cost per owner signed up on direct debit.
9. With respect to "Collection Expenses", is this properly a budget item? Aren't these costs to be recovered directly from the delinquent homeowner? Collection Expenses includes Accounts Receivable administrative expenses for collecting funds from delinquent owner assessments and sending out reminder letters, demand notices, etc.
10. Under Operating Expenses, hopefully Van Metre will take care of the proper parceling of mixed use property before the end of the year and this will disappear. I will keep you updated as things develop on this issue.

11. Grounds Maintenance is the big ticket item, and might be influence in future years by Item 3 above. Hopefully, we will also be able to eliminate the landscaping consultant. **This will be a future decision for the Board.**

Thank you for the opportunity to comment on this budget.

Sincerely,

Edward R. Slack