

November 14, 2013

Dear Daylesford Lake Homeowner:

Subject: Annual Meeting Reminder and Elections

JUST A REMINDER, the Annual Election Meeting of the Daylesford Lake Condominium Association will be held on **Wednesday, December 4, 2013 at the Tredyffrin Township Building on DuPortail Road. The meeting will begin promptly at 7:00 PM.**

The purpose of the meeting will be to elect two (2) homeowners to the Board of Directors, to report on last year's activities, and to cover plans for 2014.

Please note the enclosed list of candidates for this election. Your vote and participation in the election is very important, so please take a minute to read the proper voting instructions listed below.

VOTING: Each unit is entitled to one vote by one homeowner of the unit. Homeowners must be in good standing in order to be entitled to vote. You have three (3) ways to cast your vote: You may vote in person at the meeting, or by proxy (see enclosed), or by absentee ballot (see enclosed):

1. **BALLOT:** Homeowners in attendance at the meeting will be requested to complete a ballot in order to cast their vote.
2. **ABSENTEE BALLOT:** A homeowner who is unable to attend the meeting may cast their vote by completing the enclosed absentee ballot and placing it in Mail Hut #1, or mailing it in the self- addressed stamped envelope to the management office at the address below:

Daylesford Lake Condominium Association
183 Daylesford Blvd., Berwyn, PA 19312

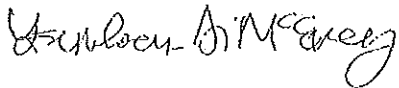
Please note that your absentee ballot must be received by 4:00 PM on December 3, 2013 for it to be included.

3. **PROXIES:** A proxy permits the homeowner to appoint another homeowner to cast a vote in his/her absence. To appoint a proxy, please fill out and sign the enclosed form and return it to the Management Office by mail using the self addressed stamped envelope or in person by 4 PM on Tuesday, December 3, 2013. Please make certain that the person you

appoint as your proxy will attend the meeting. Your designated proxy will receive a ballot at the meeting to fill out on your behalf.

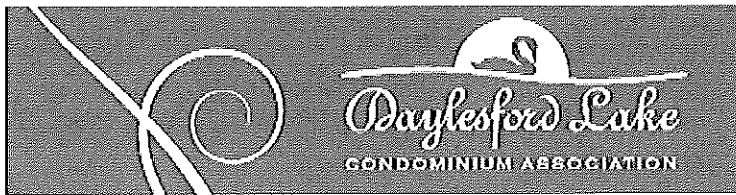
QUORUM: A quorum of thirty percent (30%) of the total number of Association members entitled to vote is necessary for the election to take place.

Sincerely,

A handwritten signature in cursive script, appearing to read "Finbar McEvoy".

Finbar McEvoy,
Board President,
Daylesford Lake Condominium Association

Enclosures



November 15, 2013

Dear Daylesford Lake Homeowner:

Subject: Annual Meeting Homeowner Package

As we approach the end of the year, there are many important community developments that the Board would like to share with you. We hope that you will be able to join us at our Annual Meeting on Wednesday, December 4, 2013 at the Tredyffrin Township Building at 1100 DuPortail Rd, at 7pm.

This package contains a number of separate documents that we would encourage you to review carefully before you attend the meeting. These documents include:

- **Election Letter:** A letter describing the election and voting instructions for two open positions on the Board of Directors.
- **Candidate Fact Sheet:** A candidate fact sheet that provides some background information on each candidate running in the election.
- **Absentee Election Ballot Form:** If you cannot attend the meeting you can return an absentee ballot to the Management Office by no later than 4:00 PM on Wednesday, December 3, 2013.
- **Proxy Election Ballot:** If you would like another homeowner to vote on your behalf at the meeting you must return this form to the Management Office by 4:00 PM on December 3, 2013.
- **2013 Year in Review:** This document provides an overview of the Community for 2013 and plans for 2014.
- **Annual Meeting Agenda:** The agenda for the annual meeting.
- **Questions for the Board:** If you have questions you would like to ask the Board before the meeting you can mail your questions to the Management Office or email them to the office
- **2014 Budget:** Enclosed
- **Window Replacement Information:** If your unit is being re-clad in 2014, please read the enclosed letter at the end of this package.

If you cannot attend the meeting in person please return your absentee ballot or proxy ballot to the Management Office at 183 Daylesford Blvd. by 4pm on December 3, 2013. You may also fax it in at 610-407-4341.

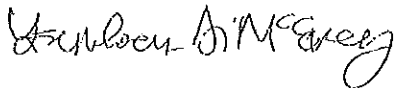
The following topics will be discussed at the Annual Meeting:

- **Annual Review of Events and Activities:** A review of major activities during the year including the Re-cladding Project.
- **Financial Review and Proposed Plans for 2014:** The Treasurer will review our financial position for the past year and will discuss future plans for 2014. Copies of the 2014 Budget will be handed out at the Annual Meeting.
- **Landscaping update:** Landscape architect will discuss customized landscaping ideas to help you enhance the updated look of the new stone and siding on your unit
- **General Question and Answer Session:** Answer questions related to the operation, funding or management of the Association and its plans for the future.

As a reminder you will receive your 2014 payment coupon books in the mail shortly even if you pay your monthly association fees using direct debit. Direct debit payees will continue to have their monthly fees deducted automatically from their accounts.

If you have questions about the meeting you can contact Rosemarie Weiss at 610- 407-4347 or email rosemarie@daylesford-lake.com . We look forward to seeing you at the meeting on Wednesday December 4th, 2013 at 7pm in the Tredyffrin Township Building.

Sincerely,



Finbar McEvoy,
Board President,
Daylesford Lake Condominium Association

DAYLESFORD LAKE BOARD OF DIRECTORS
Annual Election Meeting – December 4, 2013

CANDIDATE FACT SHEET

Two (2) seats are open.

Two (2) candidates are running for the seats.

The candidates are listed below in alphabetical order.

Teresa Q. Edwards **184 Daylesford Blvd.**

Community & Civic Association: Volunteered at a Senior Nursing Home, Arizona's Camelback Desert School, Children's' Group Home and area Elementary & Middle Schools.

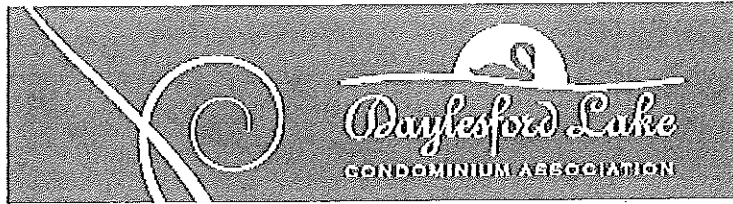
I have lived in Daylesford for 4 years. I think it is a wonderful community and wish to give back by serving as a member of the Board. I appreciate the kind of diverse community we live in and think I can add my life experience as a member of the Board. I have worked in the insurance and retail industries for many years and was employed by Tredyffrin Easttown Middle School. I am the mother of a teenage boy. I relate well with others and would work very hard to develop a positive community spirit.

***Finbar McEvoy** **34 Overlook Circle**

Community & Civic Association: Daylesford Lake Condominium Association.

I have been a member of the Daylesford Lake Board of Directors for the last 8 years. If I am elected to the Board for a further term, my primary focus will be to ensure that the re-cladding project is completed on time, within budget and with the quality that our residents expect. I will also work to find ways to continue to improve communication between the Association and its members.

(*) – Currently serving on the Board of Directors



DAYLESFORD LAKE CONDOMINIUM ASSOCIATION PROXY

Annual Election Meeting
WEDNESDAY, December 4, 2013
7:00 P.M.

In accordance with Article V Section 5.04 of the Daylesford Lake Condominium Bylaws, I hereby appoint the following person to cast my vote on December 4, 2013:

Name of appointed voter

Address

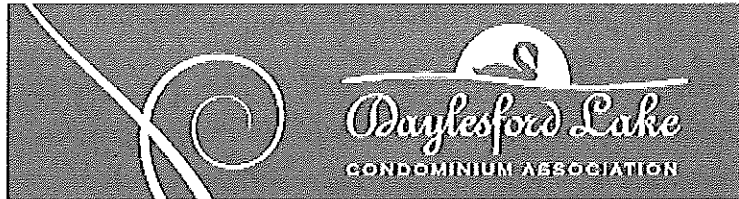
Please return this form by mail or in person to the Management Office at 183 Daylesford Blvd., Berwyn PA, 19312 no later than 4:00 pm on Tuesday, December 3, 2013. Your designated proxy holder will obtain a ballot to cast your vote on your behalf.

Homeowner's Signature

Address

Date

P.S. You may fax your proxy to The Management Office at (610) 407-4341 (your proxy/ballot will be given to the Board Secretary). All proxies must be received by 4:00 P.M. on December 3, 2013.



**DAYLESFORD LAKE
CONDOMINIUM ASSOCIATION
ANNUAL ELECTION MEETING
ABSENTEE BALLOT
November 20, 2013**

***There is one absentee ballot allotted for each household.**

In accordance with Article V, Section 5.04 of the By-Laws, I hereby cast my vote for the following two (2) candidates (listed in alphabetical order):

_____ **Teresa Q. Edwards**
_____ *** Finbar McEvoy**

After you have completed this absentee ballot, please forward it to Rosemarie Weiss using the self-addressed stamped envelope to the following on or before 4 PM on Tuesday, December 3, 2013:

Community Manager
Daylesford Lake Condominium Association
183 Daylesford Blvd,
Berwyn, PA 19312

Homeowner Name

Homeowner Address

**DAYLESFORD LAKE CONDOMINIUM ASSOCIATION
ANNUAL MEETING AND ELECTION**

**AGENDA
December 4, 2013**

Item	Time	Speaker	Topic
1	7:00 - 7:15	Finbar McEvoy DLCA President	Introduction: Introduction and review of the current year and plans for 2014 - Board President, Finbar McEvoy
2	7:15 – 7:30	Kalyan Ghosh DLCA Treasurer	Financial Report: The Treasurer will review the Association’s finances for the year to date and discuss the budget for next year.
3	7:30 –7:45	Lisa Pond Landscape Architect Texada Landscaping	Customized landscaping ideas to help you enhance the updated look of the new stone and siding on your unit.
4	7:45 – 7:50	Liaison Committee Sam Mitchell and Cathy Peacock	Request for volunteers
5	7:50– 8:00	Election	Introduction
6	8:00– 8:15	Questions and Answers	Q & A

Daylesford Lake 2014 Budget

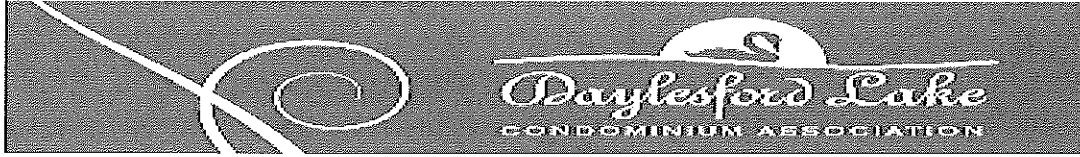
Revenues	2,014	2,013	2,012	2,011	2014 Change	2014 % Change
	Total Budget	Total Budget	Total	Total		
Member assessments	\$1,405,980	\$1,353,420	\$1,353,420	\$1,235,160	\$52,560	3.68%
Special assessment	\$1,752,000	\$1,752,000		\$131,400	\$0	0%
Capital contributions	\$0	\$0	\$24,720	\$15,655	\$0	0%
Interest	\$135	\$100	\$1,149	\$2,042	\$35	0%
Late fees	\$1,500	\$1,500	\$2,150	\$1,475	\$0	0%
Legal fees recovered	\$1,500	\$1,500	\$9,914	\$3,370	\$0	0%
Miscellaneous	-\$3,564.29	-\$1,800	\$4,778	\$11,399	-\$1,764.29	93.02%
Total Revenues	\$3,157,650.71	\$3,106,720	\$1,396,131	\$1,400,701	\$50,830.71	1.64%
Revenue Excluding Special Assessment	\$1,405,650.71	\$1,354,720	\$1,396,131	\$1,269,301	\$50,830.71	3.75%
Expenses						
Administrative Expense's						
Bad debts	\$34,392.68	\$15,000	\$14,875	\$23,976	\$19,392.68	129.29%
Insurance	\$120,000	\$108,332	\$78,469	\$59,253	\$11,668	10.77%
Interest	\$415,991.62	\$257,504.03	\$377,621	\$393,695	\$158,487.59	61.55%
Legal and accounting	\$21,008.54	\$11,000	\$36,292	\$37,915	\$10,008.54	90.99%
Management fees	\$70,000.08	\$70,000	\$70,000	\$70,000	\$0.08	0.00%
Copy and Miscellaneous	\$10,833.97	\$8,100	\$1,479	\$468	\$2,783.97	34.49%
Office supplies	\$4,078.47	\$3,600	\$12,603	\$10,457	\$478.47	13.32%
Telephone	\$3,500	\$2,700	\$3,745	\$3,519	\$800	29.63%
Total Admin Expenses Including Interest	\$679,668.53	\$478,239.03	\$595,084	\$599,503	\$203,630.51	42.76%
Total Administrative Expenses excluding Interest	\$263,874.91	\$218,732	\$217,463	\$205,608	\$45,142.91	20.64%
Common Area Expenses						
Electricity	\$15,500	\$15,500	\$14,034	\$13,985	\$0	0%
Exterminating	\$22,000	\$22,000	\$23,608	\$20,484	\$0	0%
General maintenance	\$43,200	\$95,700	\$93,341	\$88,445	-\$52,500	-54.66%
Janitorial	\$4,337.14	\$4,145	\$4,320	\$4,080	\$192.14	4.64%
Landscaping Improvements	\$61,300	\$41,300	\$41,020	\$17,128	\$20,000	48.43%
Lawn care	\$189,000	\$175,938	\$176,645	\$178,529	-\$8,938	-3.94%
Major repairs and replacements	\$3,186,791.57	\$2,578,827.06	\$383,693	\$203,038	\$607,984.52	23.58%
Pool	\$27,000	\$22,000	\$19,955	\$20,130	\$5,000	22.73%
Security	\$2,558.34	\$2,200	\$1,979	\$1,960	\$368.34	16.20%
Snow removal	\$30,000	\$30,000	\$9,165	\$30,428	\$0	0%
Waste removal	\$42,900	\$43,500	\$42,008	\$45,138	-\$600	-1.36%
Water and fire hydrants	\$5,800	\$4,650	\$4,822	\$4,393	\$1,150	24.73%
Total Common Areas Expenses	\$3,610,355.06	\$3,035,760.06	\$764,808	\$627,742	\$574,625.00	18.93%
Total Common Area Excluding Major Expenses	\$423,693.48	\$458,933	\$381,115	\$424,706	-\$33,339.52	-7.30%
Total Expenses	\$4,290,251.59	\$3,611,938.08	\$1,359,892	\$1,227,245	\$778,255.51	22.16%
Excess (Deficiency) of Revenues over Expenses	-\$1,132,700.88	-\$405,276.08	\$36,239	\$173,450	-\$727,424.79	179.49%
Fund Balances (Deficit), Beginning of Year	-\$5,936,094.08	-\$5,580,818	-\$5,617,057	-\$5,780,513	-\$405,276.08	7.26%
Interfund Transfer						
Fund Balances (Deficit), End of Year	-\$7,118,794.96	-\$5,988,094.08	-\$5,580,818	-\$5,617,057	-\$1,132,700.88	18.92%
Revenue Excluding special Assessment	\$1,405,650.71	\$1,354,720	\$1,396,131	\$1,269,301	\$50,830.71	3.75%
Admin Expenses Excluding Interest	\$263,874.91	\$218,732	\$217,463	\$205,608	\$45,142.91	20.64%
Common Area Expenses Excluding Major Items	\$423,693.48	\$458,933	\$381,115	\$424,706	-\$33,339.52	-7.30%
Total Operating Expenses	\$697,469.40	\$675,665	\$598,578	\$630,314	\$11,803.40	1.75%
Income or Loss from Operations	\$718,682.32	\$679,055	\$797,553	\$638,987	\$39,027.32	5.75%
Interest	\$415,991.62	\$257,504.03	\$377,621	\$393,695	\$158,487.59	61.55%
Paydown Principal	\$288,561.33	\$288,915.97	-\$292,394.91	-\$274,970.24	-\$2,354.65	-0.81%
Total Debt Service	\$702,552.94	\$546,420	\$85,226.09	\$118,924.76	\$166,132.94	28.57%
Excess or Loss after Debt Service	\$15,529.37	\$132,635	\$712,326.91	\$520,062.24	-\$117,106.63	-8.29%
Contribution to Reserves	\$15,529.37	\$132,635	\$712,326.91	\$520,062.24	-\$117,106.63	-8.29%
Special Assessment	\$1,752,000	\$1,752,000	\$0	\$131,400	\$0	0%
Major Expenses	\$3,186,791.57	\$2,578,827.06	\$383,693	\$203,038	\$607,984.52	23.58%
Excess or Loss of Special Assessment and Major Expenses	-\$1,434,791.57	-\$826,827.06	-\$383,693	-\$71,636	-\$607,984.52	73.53%
Administrative Expenses Per Unit Per Month	\$100.41	\$83.23	\$82.75	\$78.24	\$17.18	20.64%
Common Area Expenses per Unit Per Month	\$161.18	\$173.87	\$145.02	\$161.61	-\$12.69	-7.30%
Interest per Unit Per Month	\$158.29	\$97.99	\$143.69	\$149.68	\$60.31	61.55%
Principal payment PER Unit Per Month	\$109.04	\$109.94	-\$111.26	-\$104.63	-\$9.90	-0.81%
Reserve Contribution Per Unit Per Month	\$5.91	\$50.47	\$271.05	\$197.69	-\$44.56	-8.29%
Total Expenses	\$534.84	\$515.49	\$531.25	\$482.99	\$19.34	3.75%

Explanation of 2014 Daylesford Budget

The following is an explanation of the 2014 Daylesford Budget that was approved by the Board:

- Monthly fees will increase from \$515 to \$535 per month.
- Gross Revenue will increase by \$54k or 4% from \$1.358m to \$1.412m.
- Operating expenses excluding interest will increase by \$12k from \$675k to \$687k or by 1.75%
- Operating income excluding the special assessment will increase by 6.5% from \$682k to \$725k or by \$42k.
- Administrative expenses excluding loan interest will increase to \$264k from \$219k or by 20%.
- Professional Fees will increase by \$12k from \$81k to \$93k or by 15% due to an anticipated increase in collections costs.
- Taxes and Insurance will increase by \$12k to \$120k.
- Bad Debts will increase from \$15k to \$34k due to the high special assessment and possible foreclosures.
- Common Area Expenses excluding major reserve expenses will decrease by 7% from \$423k from \$457k a decrease of \$34k.
- General Maintenance will decrease by \$53k from \$96k to \$43k or by 54% due to the ongoing recladding project work.
- Grounds Maintenance will increase by \$10k or 3.8% from \$271k to \$281k mainly due to the need to prune mature trees which continue to grow.
- Pool Expenses increased by 22% to \$27k to provide for additional pool repairs given the problems encountered earlier this year as a contingency.
- Utilities increased by 6%.
- Lawn Care and maintenance will decrease by \$6k from \$175k to \$169k, a decrease of 4%.
- Landscaping Improvements increased by \$2k or 48% to \$61k from \$41k. This is due to the number of trees increasing in the community requiring more extensive pruning as they age.
- Debt Service has increased by 128% from \$546k to \$702k comparing budgets or by \$56k from \$646k an 8% comparing actual estimates. This is due to a number of factors, the 2013 budget anticipated that the existing loan would be refinanced by March 1, 2013 at a 4.13% variable interest rate. That would be fixed in three years rather than at the current 5.9% fixed rate. Interest rates have increased by more than 1.5% since last August. The interest for 2014 is estimated at \$416k versus the \$257k that was budgeted for 2013. The anticipated actual interest for 2013 will be approximately \$348k an increase of \$99k over the 2013 budget. The 2014 budget includes interest for the line of credit of \$73k. The line of credit interest assumes that interest rates rise to 7.25% when the line converts into a loan on Sept. 10, 2014.

- Principal loan repayment of \$286k is \$2k less than in 2013.
- Reserve contributions have fallen by 88% from \$136k to \$15k or \$121k. This represents a 1% of total expenses contribution to reserves down from 10% budgeted in 2013.
- Reserve expenses will increase from \$2.578m in 2013 to \$3.186m. \$111k of the 2013 reserve expenses represent the cost of the 2012 recladding project work which was invoiced in 2013. An additional \$40k represents engineering and architectural fees invoiced in 2013 for work done in 2012. The 2013 budget also includes the cost of the 3% prepayment penalty on the Capital One loan and an additional \$20k refinancing application fee with the new bank.
- The \$1.752m special assessment for 2014 is the same as in 2013. This represents \$8,000 per owner.



Daylesford Lake Condominium Association
183 Daylesford Blvd
Berwyn, Pa 19312
(610) 407-4347

November 6, 2013

Daylesford Lake 2013 Year in Review

This is a summary of events at Daylesford Lake during 2013.

Recladding Project

The main focus of activity at Daylesford Lake in 2013 was the re-cladding project. The first few months of 2013 were spent finalizing the costs with the contractor for the two buildings completed in 2012. At the same time the Association was negotiating on the bids received in February for the first few buildings to be re-clad in 2013. The negotiations took longer than expected due to the need to modify what was included in the scope of the work to keep it as close to the original budget as possible. This was done to take into account the unanticipated repairs and additional stone which were not part of the original bids. The project finally got underway in May, two months later than expected. Project progress was hindered in the first two months due to rain which was over 30 inches more than normal. The pace of work increased in July and the contractor is expected to meet the goal to re-clad thirteen buildings by the second part of December. The plan for 2014 is to complete twenty buildings. The work will start in March. A considerable amount of time was spent by the Board planning for the project to ensure that it runs as smoothly as possible. Many lessons were learned from the 2012 work. These included changing the way that windows will be dealt with during the project from ordering to removing and installing. The information package which is provided to all residents before work starts on their building was totally rewritten to be more comprehensive. The Board also spent a lot of time revising the details of the contracts with the contractor and engineer to reflect the specific needs of the Association. Detailed cost estimates and project schedules as well as cash flow projections were prepared and updated on a regular basis during the year as the project progressed.

Loan

The Association spent the spring and summer negotiating with several banks to refinance the existing loan and to secure a line of credit to partially fund the re-cladding project. The new deal with Popular Association Bank was signed on September 11, 2013 which provided Daylesford Lake with a \$2 million dollar, twelve month line of credit as well as refinancing the

existing loan for fifteen years at a fixed interest rate of 5.9%. The terms of this loan were the most flexible and favorable to the Association of those that were considered.

Special Assessment

The special assessment of \$8,000 per unit was due on March 31, 2013 and September 30, 2013. Over 99% of owners paid the first installment of the special assessment which was much higher than anticipated. Over 96% of owners had paid the second installment by Nov15. There will be another \$8,000 special assessment in 2014 to continue to fund the re-cladding project. February 10, 2015, \$6000.00 is due.

Association Policies

The Board updated a number of existing policies and passed some new ones during the year. These included the collections, chargeback and the inspection of Documents. This information is available on the Association website.

Operating Budget

The cost of operating the Association continued to be below budget for maintenance and snow removal. Legal expenses, insurance and loan interest were higher than expected. Landscape maintenance was above budget because many of the trees in the community require more frequent and more extensive pruning as they age.

Communications

A homeowner meeting to answer questions about the re-cladding project was held in February. The Daylesford Lake website was upgraded in June to one which will provide much more functionality to the community in the future. The Liaison Committee which is working on homeowner communications met several times during the year. The Property Manager continued to send out regular email updates to homeowners as well as two newsletters with informative and interesting articles.

Plans for 2014

The main focus in 2014 will continue to be on completing the re-cladding project on schedule and within budget. The Board will continue to take steps to improve communication with homeowners through the Property Manager and the Liaison Committee and owner meetings. Attention will also be paid to operating expenses to ensure that they are carefully managed. The Board will also continue its review of existing policies to update them to the changing needs of the community.



Daylesford Lake Condominium Association
183 Daylesford Blvd
Berwyn, Pa 19312
(610) 407-4347

November 15th, 2013

Dear Homeowner,

In anticipation of the 2014 Phase of the Recladding Project, many homeowners have questions about the purchase of windows and doors and their installation by the Contractor during work on their building. This letter and the following steps address most of those questions.

1. If you are planning to replace some or all of your windows and doors you should contact one or more of the suggested window distributors to get a quote. These distributors know our window specifications and have done other DLCA installations.
2. During the second half of January, Falcon Engineering will perform an exterior inspection of units scheduled for recladding in the first half of 2014. Buildings scheduled in the second half of 2014, will be inspected between March and the end of April. This inspection will identify the windows and doors that should be replaced. If you need windows or patio doors, Falcon Engineering will contact you.
3. After you choose the style and a distributor you must submit this information to the office if you want the contractor to install the windows and doors as part of the Recladding Project. For scheduling purposes all information must be submitted to the office no later than Feb. 28, 2014 for recladding in the first half of the year and by May 15, 2014 for those being done in the second half of the year. At least one month prior to work starting on your unit, you must also submit a copy of your purchase order. If you choose to have the windows installed after the re-cladding project, you must complete an Architectural and Landscaping Change Form and submit it to the office. No work is to be done until approval is given in writing to the unit owner.
4. Contact Hightone Construction directly to discuss details of your purchase, payment for installation service, and the delivery date for your purchases.

The Board, Contractor, Engineer and window distributors are working to make this process go as smoothly as possible. Your cooperation is critical and will ensure that your windows are installed on time.

You will be invited to a pre-construction meeting at least one month prior to your Building's scheduled recladding. Please contact the Property Manager at 610- 407-4347 or email manager@daylesford-lake.com if you have additional questions.

Sincerely,

DLCA Board

LIST OF WINDOW SUPPLIERS

J & L Building Materials, Inc.
600 Lancaster Ave.
Frazer, PA 19355
610-644-6311
Contact: Ted Ruben

Fox Lumber & Building Materials
11 West Main Street
Clinton, NJ 08809
610-246-5994
Contact: Anthony Craig

Universal Supply Co.
292 Third Street
Trenton, NJ 08611
609-500-0227
Contact: Barry Keenan