



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

November 10, 2015

Dear Daylesford Lake Homeowner:

Subject: \$500 Reserve Contribution assessment due on December 1, 2015.

This letter is to remind you of the \$500 (five hundred dollar) assessment that is due on December 1, 2015. The \$109,500 collected from this assessment will be used to partly fund the Association's \$151,551 budgeted reserve contribution that is required by Fannie Mae and Freddie Mac regulations, a requirement which we must comply with, in order to enable them to underwrite mortgages for Daylesford homeowners. This assessment is in addition to the \$535 monthly assessment which is due by the first day of each month.

Details of this payment were provided to all homeowners in the 2014 Annual Meeting package which included the 2015 Budget and a letter concerning this payment.

- **If you use a coupon book to pay your monthly fees:** You received a book in the mail last December which includes a coupon for the \$500 payment.
- **If you use direct debit (ACH):** If you are already signed up to have Pinnacle automatically deduct the monthly fees from your bank account, you do not need to take any action.
- **If you pay your fees on the Community Association Bank website at: www.cabanc.com.** You will need to make sure that you make one additional payment.

Detailed payment instructions and a copy of the Association's collection policy is also attached.

If you have any questions, please contact Rosemarie Weiss at 610 407-4347 or rosemarie@daylesford-lake.com.

Thank you in advance for your support.

Sincerely,

Board of Directors
Daylesford Lake Condominium Association

Reserve contribution Assessment FAQ

Q. Why is there a Reserve Contribution assessment now?

A. There is a Reserve Contribution assessment due on December 1, 2015 because the \$535 monthly fee does not cover the \$151k 10% reserve contribution required by Fannie Mae and Freddie Mac to underwrite mortgages at Daylesford Lake. The \$500 assessment is used to ensure that reserve funding is consistent with the 2015 Association budget.

Q. What is the purpose of the Reserve Contribution assessment?

A. The purpose of the Reserve contribution assessment is to ensure that the Association has a minimum level of reserves that is available for future emergencies and capital improvement projects such as roof and siding replacement in the future.

Q. How will the money from the Reserve Contribution assessment be spent?

A. The funds from the Reserve Contribution assessment will be used in the following way: To fund any capital improvement expenses that may arise in the coming years. These could include repaving the streets, replacing retaining walls and other items. A list of capital expenses is available in the office. The list is contained in the annual audit as well as the most recent capital reserve study prepared by certified reserve specialists.

Q. Since the fees are already so high, why do we need a Reserve Contribution assessment now?

A. We need the Reserve Contribution assessment now to ensure that homeowners can have mortgages underwritten by Fannie Mae and Freddie Mac when they purchase their homes or refinance them. In addition the Association needs to ensure that there will be sufficient funds available for future capital projects. The monthly fees only partly cover the reserve contribution required to meet the minimum 10% of the total operating budget required by Fannie Mae and Freddie Mac.

Q: What is the difference between a "Reserve Contribution" and a "Special Assessment"?

A: A "Reserve Contribution Assessment" is considered as part of the regular Assessments charged to owners for accounting purposes. By adding the \$500 "Reserve Contribution Assessment" to the \$535 monthly assessment the Association is meeting its obligations to Fannie Mae and Freddie Mac. If the \$500 was a "Special Assessment", it would not be considered as part of the regular assessments and the Association would not qualify for Fannie Mae and Freddie Mac mortgage underwriting.

Reserve contribution Assessment Payment Instructions & Frequently Asked Questions

- Q. How can I pay the Reserve Contribution assessment?
- A. You can pay the Reserve Contribution assessment by check or direct debit (ACH) or online using an e-check or credit card.
- Q. If I already pay by direct debit (ACH) do I need to do anything?
- A. No. If you already pay your monthly fee by direct debit (ACH) you do not need to do anything. Pinnacle will deduct the additional \$500 on December 1.
- Q. What if I do not want the additional \$500 Reserve Contribution assessment to come out of my direct debit (ACH) account?
- A. If you do not want the additional \$500 to come out of your direct debit bank account you will need to send an email to manager@daylesford-lake to let Rosemarie know that you do not want the additional \$150 to be automatically deducted from your bank account.
- Q. What will happen if I decide not to have the additional \$500 deducted from my bank account?
- A. You will need to pay your monthly fees and the Reserve Contribution assessment by check or online by e-check or credit card.
- Q. Where do I send my check for the monthly fee and the Reserve contribution assessment payment?
- A. Daylesford Lake Condominium Association.
c/o Pinnacle Realty Services,
P.O. Box 64894
Phoenix AZ 8502-4894
- Q. Can I pay my monthly fee and Reserve Contribution assessment online?
- A. Yes. You can pay your monthly fee and Reserve Contribution assessment by credit card or e-check by going to the www.cabanc.com website.
- Q. Is there a fee for paying my fees by credit card?
- A. Yes. There is a \$20 fee per transaction for paying your monthly fees or Reserve contribution assessment online using a credit card
- Q. If I have any questions concerning the Reserve contribution assessment and how to pay it who should I contact?
- A. You should email Rosemarie at manager@daylesford-lake.com or call her at 610- 407-4347.