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## MEMORANDUM

**To:** Home Owners of Liberty Ridge Neighborhood

**Date:** December 9, 2009

**From:** Tim Balitsos

**Subject:** Monthly Maintenance Fee Increase

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Your Board of Directors and Management Company have worked diligently to keep expenses down, but unfortunately the Association is running a deficit for 2009 and is forecasted to run negative again in 2010. This is mainly due to the continued unanticipated cost of ice control and snow removal. Last winter alone, we spent in excess of \$50,000 on snow removal and ice control. While we have put in place a multiple year contract to control these costs, the more icy nature of the winters is the main reason for these high costs.

Adding to the deficit is the cost that the Association incurred for additional landscape maintenance for the common areas. At the end of 2008, the Hills Highlands Master Association (HHMA) notified MEM Property Management that Liberty Ridge Neighborhood Association is the owner of several lots adjacent to the community and is solely responsible for their upkeep. This additional property consists of the land along the south of Liberty Ridge Road and Honeyman Road including the wooded area that borders the Patriot Mews neighborhood as well as the detention basin adjacent to Honeyman Road. This addition has greatly increased the amount of common area that the Association has to maintain. We did consult several lawyers on this matter to explore options to fight this issue. Unfortunately, no cost effective or easy solutions are available to us. We plan to continue to revisit this issue to reevaluate alternatives, and also to review the landscaping plan to see if we reduce our costs while maintaining or enhancing the quality of the service.

The Governing documents require that any deficits be passed through to the current homeowners as an increase. The last maintenance fee increase was in December 2005. The Association currently deposits \$1,622.00 per month in the Capital Reserve Account and intends to continue this practice. The reserves are needed to cover the expense of repaving the cul-de-sacs and, according to the Reserve Study, we can expect this work will likely be required beginning in 2011.

Therefore, with the rising cost of snow removal and landscape maintenance, we are left with no option except to increase the Liberty Ridge portion of the maintenance fee by \$10 per month, raising it from \$46 to \$56. The other fees – HHMA (\$36/mo), and trash removal,(\$14/mo) – are expected to remain unchanged for 2010.

If you have any questions please do not hesitate to contact me.

Thank you,