



1700 Ravens Crest Drive • Plainsboro, NJ 08536

Tel: 609-275-7353 • Fax: 609-275-0891

www.RavensCrestEast.com e-mail: Management@RavensCrestEast.com

2007 Special Assessment

December 7, 2006

Dear Fellow Homeowners,

After careful consideration, the Board of Directors has again come to the decision to extend the Special Assessment for another year into 2007. The continued Special Assessment is needed in order for our Association to have adequate reserves to be utilized as collateral for the financing and funding for the upcoming Renovation Project in 2007. The rates for the 2007 Special Assessment, which will be ratified by the Board at the December 13, 2006 Open Board Meeting, will remain the same as they were in 2006, with one-bedroom Unit Homeowners paying \$103 per month and two-bedroom Unit Homeowners paying \$118 per month through December 2007, or until the Renovation Project begins, in which case the Renovation Project Special Assessment will start, taking the place of this current Special Assessment.

At no time will you be paying both of these Special Assessments!

Unfortunately, in the past, our Association reserves have been historically and chronically underfunded, due to many years of inadequate levels of monthly dues, thus resulting in this deficiency in our reserves. However, because of the Board's efforts combined with Membership's cooperation, we are well on our way to a more solid financial foundation.

Accordingly, the Special Assessment fees are as follows:

One-bedroom Unit Homeowners will pay a monthly Special Assessment amount of \$103.00 and a monthly maintenance fee of \$171.00 for a total monthly payment of \$274.00.

Two-bedroom Unit Homeowners will pay a monthly Special Assessment amount of \$118.00 and a monthly maintenance fee of \$195.00 for a total monthly payment of \$313.00.

As with the regular Association fees, the percentage of ownership in common elements specifies the share of Special Assessment fees each one-bedroom and two-bedroom Unit Homeowner pays. One-bedroom Unit Homeowners pay 0.1529% and two-bedroom Unit Homeowners pay 0.1749% of the total Special Assessment amount.

The money that has been collected in 2006 for the Special Assessment, as well as the money that will be collected in 2007, will be allocated to the upcoming Renovation Project. This will ultimately lead to a lower final Special Assessment in the future. Additionally, this is money that the Association, as well as the individual Homeowner, will not have to pay interest on or borrow, and will result in less money that we will have to pay out over the term of the loan. Also, during this time we are investing the reserve money in higher yielding Certificates of Deposit and Treasury Notes so that our Association, within the investment guidelines of our Governing Documents, will receive the best return for our investments. The Association has and will put the interest earned towards the project. The interest earned in this fiscal year has amounted to over \$126,000, which came from our investments earning a 5% interest rate.

Currently, we have accumulated over \$3.6 million in our Long Term Reserve fund. Our present reserve balance is an excellent foundation in ensuring that the Renovation Project will begin in 2007.

(Continued)

However, we need to continue the Association's present course to ensure that we financially stay on track for the upcoming Renovation Project, and the upcoming fiscal years that follow.

The engineering firm of Frost, Christenson & Associates (FCA) has prepared the Renovation Project specifications, which have been reviewed and accepted by the Board. These specifications were used to obtain proposals from six (6) capable contractors. The Board and Management, along with FCA, met with the prospective bidders, thoroughly checked references, and selected one as the general contractor for the Renovation Project.

The engineer's specifications include roof replacements, siding replacements, stair tower replacements, drainage remediation, site-wide lighting upgrades, deck repairs and deck railing replacements, and breezeway repairs. We are also replacing all exterior doors, windows, skylights, and sliding glass doors, and are considering a clubhouse renovation, landscaping improvements, a new Tot Lot, pavement repairs and/or resurfacing, as well as the installation of high-speed internet access and master satellite dish placement. More details concerning all of these items will follow at a later date.

The Board has met with various suppliers, visited product showrooms, and other community associations where either our selected contractor has done work, or the selected materials were in use. The Board has also met with a paint company representative, to ensure that the most applicable products are used throughout the Community. With the assistance of the Vinyl Siding Color Selection Committee, the colors have been chosen for our buildings, which are Sage for the brown buildings and Driftwood (tan) for the blue buildings.

The Board has also met with quite a few lenders to discuss the financing options available to us in securing the Community-wide loan. Once we have all of the details, we will select a lender to work with us, and who will provide the best payment options and lowest interest rates.

The Board is currently in the process of compiling the Renovation Project informational booklet, which will be sent to all Homeowners along with the necessary ballot for approval of this project, and the special assessment needed to complete it. This booklet will be all inclusive of every aspect of the Renovation Project, and will explain in full detail what needs to be done and why, and the financing needed to pay for it, and what options you will have in paying, such as lump sum, or payment terms. We expect to have this mailed to you in January. We will also have two open meetings and two walk-around meetings with the engineers, so that you will have the opportunity to walk the site with them, and have any questions answered.

In closing, we would like to take this opportunity to remind you that, while unpopular, this Special Assessment is absolutely necessary for our Community, and is not a decision we came to lightly. However, please keep in mind **once the Renovation Project is completed, we will have accomplished our goal of preserving our homes, and we will have a "brand-new" Community.** The Board kindly asks for your continued patience and cooperation as we progress through the upcoming year and the Renovation Project in 2007.

We welcome your feedback regarding this decision and the ongoing Renovation Project, so please come to the December Open Meeting on December 13th as well as the Open Meetings throughout the year.

Sincerely,

Board of Directors
Ravens Crest East at Princeton Meadows Condominium Association, Inc.