

**NEWBERRY STATION HOMEOWNERS  
ASSOCIATION  
\*URGENT\* “ACTION REQUIRED”**

**July 25, 2010**

**Notice of Community Loan and Pavement Contract Voting Requirements**

Dear Newberry Station Homeowner:

In accordance with the governing documents of the Newberry Station Homeowners Association, you are hereby notified for voting on a community loan for the purposes of a Pavement Contract to perform the necessary work that is required for streets owned by the Newberry Station Association.

The March 2009 “Replacement Reserve Study For The Newberry Station Homeowners Association, Inc.”, prepared by the Community Association Engineering (a division of GJB Engineering), documents the need for the contract. The Study’s conclusion, in brief, is that the community roads in the main have long since reached the end of their useful life.

The Association does not have the funds required for this work in the current Reserve Fund Account (which totaled \$179,000 as of the June Annual Meeting). The Board of Directors therefore has had to pursue the possibilities of a loan for the Association. The loan amount that you will be voting on is for \$280,000.00 with M&T Bank. This loan agreement will be paid back over the course of 7 years out of the current funding that is contributed monthly to the Association’s Reserve Account.

**This voting is NOT for any special assessment and NOT to increase your monthly assessments.**

If we obtain the loan:

- The work probably will be completed within one year from date of award.
- The contract price will be in the range of \$327,000 to \$335,000 (the prices bid by the two low bidders).
- The Board would be able (and currently plans) to freeze monthly assessments at the current level of \$127 per month for at least the next two calendar years (2011 and 2012).

If we are not able to obtain the loan:

- The work would proceed in phases over the next five to seven years.
- Total construction costs would rise substantially -- the low bidder having qualified his price bid with a 7.5% increase for each additional year of work plus whatever additional monies are required to cover changes in the highly volatile price of liquid asphalt.
- The Board would have to finance the construction by continuing to raise monthly assessments 10% each year (segregating and separately accounting the dollars for the road construction contract from operating costs and other reserve requirements).

The only other alternative would be a special assessment of \$1,700 per unit.

We are posting on our web site [<http://www.newberrystationhoa.org/>] all of the documentation regarding this matter, including the Loan Commitment letter from M&T Bank, Request For Proposals, the Bidders List (including prices bid), and the Replacement Reserve Study. You may also review the documents (and, if you wish, turn in your ballots) on Saturday July 31 at the Community Clubhouse between the hours of 9AM and 1PM.

Enclosed you will find your voting package, which includes the Ballot and a Restricted Proxy (the latter which you can use to vote and turn over to Cardinal Management Group to cast your vote for you).

Please complete the ballot or the restricted proxy and return to Cardinal Management Group, Inc by August 11, 2010 using the self addressed stamped envelope that has been provided to the Attention of Brandi Langeneck (Community Manager).

Each home in Newberry Station represents one vote. Votes may be cast by the use of a Ballot or a Restricted Proxy naming Cardinal Management as the Proxy Holder or another Homeowner. Eligible owners may assign their voting right to another homeowner (via "uninstructed proxy") by using the enclosed form. Any owner whose assessment account is delinquent by sixty (60) days or more on the day of the meeting is not eligible to vote.

The managing agent must receive votes prior to 2:00 p.m. on August 11<sup>th</sup> to ensure proper reporting.

Should you have any questions, please contact Brandi Langeneck at 703-565-5034 or by email at [b.langeneck@cmgmt.com](mailto:b.langeneck@cmgmt.com).

Sincerely,

NEWBERRY STATION HOMEOWNERS ASSOCIATION

Brandi Langeneck, CMCA<sup>®</sup>, AMS<sup>®</sup>  
Community Manager  
Cardinal Management Group, Inc.  
Agents for Newberry Station Homeowners Association



RESTRICTED  
PROXY

KNOW ALL PERSON BY THESE PRESENTS, that I, the undersigned member of the Association and owner of the property located at \_\_\_\_\_ do hereby appoint:

\_\_\_\_\_  
PRINT NAME OF APPOINTED PERSON,  
WHO MUST BE A MEMBER OF THE ASSOCIATION OR THE MANAGING AGENT

my true and lawful attorney-in-fact and proxy holder, to vote and act for me in the limited capacity indicated below.

**LIMITED POWER** (For your proxy to be counted on the following issue, you must indicate your preference in the blank below. The proxy holder cannot vote on this item for you).

Do you consent to the Association borrowing the amount of \$280,000.00 from M & T Bank, subject to and in accordance with the terms and conditions set forth in the bank's loan commitment letter dated June 23, 2010?

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

In Witness Whereof, I have signed this Proxy on the date below.

\_\_\_\_\_  
Member Name (Print)

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Date



BALLOT

The undersigned member of the Association and owner of the property located at \_\_\_\_\_ does hereby vote as follows:

Do you consent to the Association borrowing the amount of \$280,000.00 from M & T Bank, subject to and in accordance with the terms and conditions set forth in the bank's loan commitment letter dated June 23, 2010?

\_\_\_\_\_ YES

\_\_\_\_\_ NO

In Witness Whereof, I have signed this Ballot on the date below.

\_\_\_\_\_  
Member Name (Print)

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Date