

KINGSVIEW RIDGE COMMUNITY ASSOCIATION

c/o Vanguard Management Associates, Inc.
P.O. Box 39 • Germantown, Maryland 20875-0039
301-540-8600 x3045
www.kingsviewridge.com

November 2013

Dear Kingsview Ridge Homeowner,

The Board of Directors for the Kingsview Ridge Community Association has approved an operating budget for the fiscal year beginning January 1, 2014 as previously submitted to you. The assessment for 2014 will be **\$116.00** for single family homes per quarter and **\$175.00** per quarter for townhouses and condominiums.

To assist you in making your 2014 quarterly payments, you will receive, **under separate cover**, a coupon booklet and envelopes.

All payments should be mailed to the address on the coupon which is the “lockbox” address for Kingsview Ridge Community Association where your check is deposited when received.

★ ★ ★ IMPORTANT INFORMATION REGARDING YOUR ASSESSMENT PAYMENT ★ ★ ★

You need to send or direct your assessment payments to the following address:

- **The address for payment only is: P.O. BOX 93687
Las Vegas NV 89193-3687**
- Please make sure to use the coupons and envelopes that are sent to you when you are mailing your payment.
- ***If you use an online bill pay service please verify the correct mailing address for your payment.***
- **If you are currently enrolled in direct debit through our office you do not need to take any action.**
- Payments should not be mailed or hand delivered to the Vanguard Management office. Checks mailed to the office will be returned “Return to Sender”.
- You may pay your assessment by credit card or E-check. You must have your payment coupon with you in order to complete this process. Please log on to www.vanguardmgt.com and follow the link for AAFS to make payments by credit card or E-check. Please allow up to 4 business days for processing. Credit card payments are subject to a convenience fee by the bank.

You are reminded that the quarterly assessment payment is due the first (1st) day of each period (January, April, July and October) and is considered late if not received by the fifteenth (15th) day of the month. Late payments may be subject to a late charges and collection costs. You will receive no further notices so please place your coupons in a secure place, as there may be a charge for a replacement set.

PLEASE MAKE ALL CHECKS PAYABLE TO:

“Kingsview Ridge Community Association”

AND REFERENCE THE ACCOUNT NUMBER ON YOUR CHECK

Please also note that the Kingsview Ridge Community Association has its own extension number at Vanguard Management. You can conduct most business, reach the accounting department or reach the community manager by calling (301)540-8600 and dialing extension **3045**. There will be a number of menu selections that will facilitate your business with the Association. All written correspondence should be sent to the address shown at the top of this letter and questions about your account should be directed to (301)540-8600 x3302. You may also communicate with Vanguard Management by visiting Vanguard’s web site at www.vanguardmgt.com, click on “Community Contact Info” and then “Kingsview Ridge Community Association”.

Please also note that, under Chapter 10B of the Montgomery County Code, the Office of Common Ownership Communities and the Commission on Common Ownership Communities (CCOC) offers dispute resolution, education, and other services to owners and residents of common ownership communities in Montgomery County.

For the Board of Directors,
KINGSVIEW RIDGE COMMUNITY ASSOCIATION

Nancy Keen, CMCA® AMS®
Community Association Manager

Enclosures

2014 Board Meeting Schedule

The Association Board of Directors meetings in 2014 are currently scheduled for the **1st Wednesday of every other month** at 7:00pm at the Germantown Recreation Center located at 18905 Kingsview Road Germantown, Md. Meeting dates for 2014 are:

February 5, 2014
April 2, 2014
June 4, 2014

August 6, 2014
October 1, 2014
December 3, 2014

KINGSVIEW RIDGE HOMEOWNERS ASSOCIATION

2014 GENERAL OPERATING BUDGET SUMMARY

Quarterly Assessments:			
Single Family Detached:	\$116.00	6%	Increase over 2013
Townhouses/Condominiums:	\$116.00	6%	Increase over 2013

	Approved 2014 TOTAL	Approved 2013 Budget	\$ Change
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INCOME:

Residential Assessments	\$165,184.00	\$155,216.00	\$9,968.00
Late Fee Income	\$1,350.00	\$1,350.00	\$0.00
ADJUSTED INCOME:	\$166,534.00	\$156,566.00	\$9,968.00

EXPENSES:

Reserve Contributions: *Reserve Study completed by Miller Dodson in 2011*

Gross Reserve Contribution	\$12,911.00	\$12,911.00	\$0.00
Less: Reserve Interest	(\$2,529.54)	(\$2,077.34)	(\$452.20)
Net Reserve Contribution:	\$10,381.46	\$10,833.66	(\$452.20)

General & Administrative

Management, Audit and Legal	\$43,422.54	\$42,687.33	\$735.21
Postage, Printing, Web Site and Coupons	\$4,249.32	\$4,249.32	\$0.00
Insurance and Taxes	\$6,847.43	\$4,789.60	\$2,057.83
Bad Debt	\$5,300.00	\$5,300.00	\$0.00
Record Storage, Miscellaneous and Banking Fees	\$1,609.60	\$1,530.40	\$79.20
Electricity	\$3,010.00	\$3,468.00	(\$458.00)
Dues & Subscriptions, Social and Meetings	\$1,360.00	\$1,410.00	(\$50.00)
County Commission	\$996.00	\$996.00	\$0.00
Sub-Total:	\$66,794.89	\$64,430.65	\$2,364.24

Maintenance:

Site Improvement, Tree & Shrub Maintenance	\$5,375.00	\$5,375.00	\$0.00
Site Maintenance	\$2,695.00	\$2,695.00	\$0.00
Grounds Maintenance & Fertilization	\$56,554.00	\$48,500.00	\$8,054.00
Trash Collection	\$20,932.80	\$20,932.80	\$0.00
Snow Clearing	\$3,800.00	\$3,800.00	\$0.00
Sub-Total:	\$89,356.80	\$81,302.80	\$8,054.00

TOTAL EXPENSES:

	\$166,533.15	\$156,567.11	\$9,966.04
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NET INCOME/(LOSS):

	\$0.85	(\$1.11)	\$1.96
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**KINGSVIEW RIDGE COMMUNITY ASSOCIATION
2014 OPERATING BUDGET SUMMARY NOTES**

GENERAL ASSOCIATION

A. INCOME:

1. Residential Assessments: The total income generated from the **quarterly** assessment charged pursuant to the Declaration and By Laws for the Association to the settled homes.
2. Late Fee Income: Estimated funds collected from homeowners as a result of late payment of quarterly assessments pursuant to the By Laws and an approved collection policy.

B. EXPENSES:

1. RESERVE CONTRIBUTION: The calculations of the reserve contributions are based upon the Reserve Study completed by Miller Dodson Associates in 2011.
 - a. Gross Reserve Contribution: The total gross reserve contribution necessary to meet the funding goals established through the reserve schedule which has estimated the expected useful life and replacement cost of each community asset.
 - b. Less: Reserve Interest: Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve schedule.
 - c. Net Reserve Contribution: The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.
2. GENERAL & ADMINISTRATIVE EXPENSES:
 - a. Management, Audit and Legal: The projected expense for professional community management services for property management, financial accounting and consultation services per the contract with Vanguard Management Associates, Inc. Expense for the services of a Certified Public Accountant (CPA) for the preparation of all annual tax returns and the conduct of an annual audit of the Association books and records. Expense for the services of legal counsel for such matters as collection assistance, rules enforcement assistance and/or legal opinions.
 - b. Postage, Printing, Website and Coupons: Allowance for miscellaneous postage needs of the Association as well as several community-wide mailings to members for such items as the annual budget and annual meeting notices. Allowance for the printing requirements associated with the budgeted postage needs as described above. Allowance for website hosting and maintenance. Allowance for the provision of payment coupon booklets for the homes within the community.
 - c. Insurance and Taxes: The estimated expense for providing all appropriate insurance coverage for the Association including:
 - (1) All-Risk/General Liability Coverage in the amount of \$2,000,000.00;
 - (2) Directors's & Officer's Liability Coverage in the amount of \$2,000,000.00;
 - (3) Fidelity Bond of Officers and Directors in an amount sufficient to cover the amount in the Association's bank accounts.

Allowance for the payment of federal and state income taxes based upon non-assessment income.

OWNERS ARE REMINDED THAT BUDGETS REFLECT AN ESTIMATED PROJECTION OF ANTICIPATED EXPENSES AND REVENUES AND, AS SUCH, ARE SUBJECT TO CHANGE BASED UPON ACTUAL CIRCUMSTANCES.
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- d. Bad Debt Expense: Allowance for the expense of assessments that are uncollectible due to homeowner bankruptcy and/or mortgage lender foreclosure.
- e. Record Storage, Miscellaneous and Banking Fees: Funding to cover the expense for the storage of the Association's historical archive records. Allowance for miscellaneous meeting and Board expenses. Allowance for a monthly service charge for a commercial checking account, direct deposit, as well as, for printing needs for additional checks and deposit slips throughout the year.
- f. Dues & Subscriptions, Social and Meetings: Annual dues payable to the Community Associations Institute (CAI) of which the Association is a member. Membership entitles several Board members to regular publications regarding community association related topics as well as the opportunity for educational programs at a preferred rate. Allowance for social event(s) as may be planned by the Board and/or Social Committee. Allowance for the expense of meeting room rental for regular Board and/or community meetings as well as for recording secretarial services.
- g. County Commission: The allowance for the payment of fees assessed by the new Montgomery County Commission on Common Ownership Communities which has been established to provide certain dispute resolution and educational support services to association within the County. Payment of the annual \$3.00 per home fee will be made in July as billed by the County.

3. GENERAL MAINTENANCE:

- a. Site Improvement, Tree & Shrub Maintenance: Allowance for improvements to the landscaping in the common areas of the community. Expenses for the maintenance and removal of common area trees and shrubs.
- b. Site Maintenance & Repair: Allocation of funding necessary for miscellaneous maintenance needs throughout the community such as debris and trash clean-up, and other miscellaneous grounds repairs.
- c. Grounds Maintenance and Fertilization: Funds allocated for the regular maintenance of the Association common areas including mowing, trimming, edging of common sidewalks as well as the mulching of common area trees and shrubs. The planting of seasonal flowers (spring/fall) in focal areas of the community. Funds allocated for the complete chemical application package including fertilization and weed control.
- d. Trash Removal: Funds allocated for twice weekly curbside collection of trash.
- e. Snow Clearing: Based upon recent change by Montgomery County law, effective July 2001, funds must be allocated for the clearing of sidewalks - both common area as well as those within the County's owned right-of-way.

KINGSVIEW RIDGE HOMEOWNERS ASSOCIATION

SUPPLEMENTAL TOWNHOUSE BUDGET¹ SUMMARY

Quarterly Supplemental Assessment:	\$59.00	10% Increase over 2013
Quarterly Assessment:	\$175.00	8% Increase over 2013

	Approved 2014 TOTAL	Approved 2013 Budget	\$ Change
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INCOME:

Residential Assessments	\$34,928.00	\$31,672.00	\$3,256.00
ADJUSTED INCOME:	\$34,928.00	\$31,672.00	\$3,256.00

EXPENSES:

Reserve Contributions: *Reserve Study completed by Miller Dodson in 2011*

Gross Reserve Contribution	\$19,026.46	\$15,371.08	\$3,655.38
Less: Reserve Interest	(\$2,548.67)	(\$2,149.04)	(\$399.63)
Net Reserve Contribution:	\$16,477.79	\$13,222.04	\$3,255.75

Maintenance:

Legal Fees	\$1,200.00	\$1,200.00	\$0.00
Street Light & Parking Lot Maintenance	\$3,050.00	\$3,050.00	\$0.00
Snow Clearing	\$14,200.00	\$14,200.00	\$0.00
Sub-Total:	\$18,450.00	\$18,450.00	\$0.00

TOTAL EXPENSES:	\$34,927.79	\$31,672.04	\$3,255.75
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NET INCOME/(LOSS):	\$0.21	(\$0.04)	\$0.25
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¹ Includes both townhouses and condominium units.

KINGSVIEW RIDGE COMMUNITY ASSOCIATION

SUPPLEMENTAL TOWNHOUSE BUDGET SUMMARY

(Townhomes Only)

A. INCOME:

1. Residential Assessments: The total income generated from the **quarterly** assessment charged pursuant to the Declaration and By Laws for the Association to the homes expected to be settled.

B. EXPENSES:

1. Reserve Contributions: The calculations of the reserve contributions are based upon the Reserve Study completed by Miller Dodson Associates performed in 2011.

a. Gross Reserve Contribution: The total gross reserve contribution necessary to meet the funding goals established through the reserve schedule which has estimated the expected useful life and replacement cost of each community asset.

b. Less: Reserve Interest: Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve schedule.

c. Net Reserve Contribution: The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.

2. General Maintenance:

a. Legal Fees: Expense for the services of legal counsel for such matters as collection assistance, rules enforcement assistance and/or legal opinions.

b. Street Light and Parking Lot Maintenance: Allocation of funding necessary for the maintenance of the private street lighting. Such maintenance includes bulb replacement and repair of other electrical components. Allocation for the cleaning of sand and debris from the parking areas after the snow removal season has ended and minor parking lot repairs

c. Snow Clearing: Funding has been allocated during the winter season for the plowing and sanding of the streets (drive lanes). Furthermore, based upon recent change by Montgomery County law, effective July 2001, funds must be allocated for the clearing of sidewalks - both common area as well as those within the County's owned right-of-way.

OWNERS ARE REMINDED THAT BUDGETS REFLECT AN ESTIMATED PROJECTION OF ANTICIPATED EXPENSES AND REVENUES AND, AS SUCH, ARE SUBJECT TO CHANGE BASED UPON ACTUAL CIRCUMSTANCES.