

CRYSTAL SPRINGS CONDOMINIUM ASSOCIATION
c/o Advanced Condominium Management Corporation
40 Mechanic Street, Suite 301
Foxboro, MA 02035
508-543-2252

DATE: October 18, 2004

DRAFT 4

TO: All Unit Owners

FROM: Crystal Springs Trustees

SUBJECT: Monthly Fees and Bank Loan

As many of you know the Board has been working very hard with trying to put closure to the Land Sale. Unfortunately, we have not been able to structure an agreement that the potential developer could accept.

We have been put in touch with 6 (six) new Developers who are interested in the land. Our attorney, along with ACMC has developed an (RFP), Request for Proposal to distribute to them and have begun the bidding process all over again.

Although we feel confident that a deal is fourth coming, we are at a point in time that monies need to be raised to address the maintenance concerns on the property.

The Board has applied for a loan in the amount of \$208,185 that will enable us to have all the necessary work completed next year. Decks and privacy walls need to be replaced (\$119,185), extensive asphalt repairs addressed (\$40,000), the replacement of the privacy fences between units (\$30,000), and a Supervisory Fee of projects (\$19,000).

Based on the “**PROJECTED**” numbers above, the monthly loan payment will be \$2,915 per month. The loan is for 7 years at one point over prime, and should we sell the land at any point in time after the 1st year, we can pay the loan off without penalty. This monthly loan fee would be divided by beneficial interest. Outside units would pay an additional \$73.00 per month and the inside units would pay an additional \$70.00 per month. After reviewing the total year to date expenses at the end of September, (7 months of the budget), we do not anticipate any other increase in the current condo fee next year other than the loan service. The monthly fee in 2005 for outside units will be \$246.00 and the monthly fee for the inside units will be \$236.00 **starting March 1, 2005.**

Upon receipt of the final contracts for the above projects, it may be possible to adjust the fees down to reflect the actual cost of the loan. If and / when the Land Sale go through,

then the Trustees may review the option of paying off the loan balance. This could result in the monthly condominium fees being reduced, based on the month-to-month needs of the property.

The remaining roofs will also be replaced (4 buildings to complete), at a cost of \$8,500 each which totals \$34,000. This expense will be paid from the Replacement Reserve Account and not effect your monthly fees.

Attached for your review is the proposed monthly condominium fee that will go into effect March 1, 2005. As stated above, the final number will be determined prior to that date and all fee increases will reflect the actual cost to maintain the loan.

As a final note, the window replacement project is not and will not be included in the loan as the grand total cost would be prohibitive. Therefore the Board has contacted a window replacement contractor and received a bid for window replacements. This information will be provided to you in the near future under separate cover.

This information is being supplied to you at this point in time to give you an idea as to each unit's financial exposure starting in March 2005. This will be reviewed in greater detail at the Annual Meeting that will be held in January 2005.

Should you have any questions before then, please feel free to contact the managing agent at the number listed above.

Sincerely,

Crystal Springs Trustees