



September 4, 2009

Dear OACS members,

This letter is to formally notify Townhouse Owners and Regime Directors that they can receive additional services from Smugglers' Notch Management Company, including umbrella insurance, propane gas, reserve management and long term Regime/Townhouse planning. We are actively working with the OACS Executive Committee to finalize pricing and draft an agreement for Townhouse Owners and Regime Directors, which will include:

- **Insurance:** Our broker has assured us that Owners may participate under Smugglers' umbrella policy. However because the current Full Owner insurance will not renew until the end of March, our broker cannot put it out to bid until then, and so we cannot give a definitive price at this time. We will provide pro-rated billing of the insurance costs on your quarterly statement as well as any insurance claim processing as part of our service.
- **Propane Gas:** Smugglers' uses a couple of vendors for propane gas and can include any full Owner buildings in our deliveries. We expect to have more details in the next few weeks as we prepare for winter. Our service will include the pro-rated distribution of the propane delivery costs to Owners on your quarterly statements.
- **Administrative and Reserve Management:** The Accounting functions for the FamilyShare and Club Homes are already provided by Smugglers'. Full Owners who wish to have Smugglers' manage their accounts will be able to receive these services as well. There will be a one time set up charge and a nominal ongoing administrative cost for the maintenance of financial transactions, building and reserve funds, borrowing, accounts receivable and payable, balance sheets and quarterly P & L reports.
- **Long Term Planning:** Regime/Townhouse plans will be created for exterior and common area upgrades, compliance, maintenance, and aesthetic issues. There are two facets to this task. One is the one time long range upgrades such as new roofing, new decks, new siding, new windows, etc. The second is the recurring and routine maintenance required for Life Safety compliance, extension of life of existing products, and required seasonal programs.

We appreciate the opportunity to offer our input, support and guidance to Regime Directors and Townhouse Owners.

Kind regards,

A handwritten signature in black ink that reads "Lisa".

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