PARKSIDE

June 24, 1996

Ms. Laura Richards
Chairman
District of Columbia Board of Zoning Adjustment
441 4th St., NW, Suite 210
Washington, DC 20001

OFFICE OF ZONING
DISTRICT OF COLUMBIA
'96 JUN 24 P4 :08

Dear Ms. Richards:

This letter is in response to various concerns and issues raised in the petition filed by several residents of Parkside Phase I. I obtained a copy of their memo at last Thursday's Association Meeting, held at the Parkside Community Building. I will address each point in the same order in which it was presented in the petition.

Part I

a) We believe that it is unnecessary to inspect all 100 homes at Parkside, some which are approaching four years old and, many which have experienced absolutely no problems since their respective owners took possession. In addition, it would be nearly impossible or, at the very least, take an unreasonable amount of time to coordinate the inspections of 100 homes, between Home Corporation ("Home Corp.") staff, individual homeowners, inspectors and contractors. Again, it does not seem prudent or productive to inspect all 100 homes, particularly if the owners have not indicated that problems exist.

b) This practice is currently underway, with regards to all requests for service or repairs. All service requests and certification of work completion must be signed by the residents, upon satisfactory completion of the repair(s).

c) This request is unclear. If the work is completed, then why is it necessary to wait 90 days? Or, why should repairs be delayed to within 14 days of a 90 day period? We are not sure what Mr. Wright is requesting here.

BZA
CASE No. 16144
EXHIBIT No. 47

Board of Zoning Adjustment
District of Columbia
CASE NO.16144
EXHIBIT NO.47

6/24/96

1101 30TH STREET, N.W. 4TH FLOOR
WASHINGTON, D.C. 20007 • 202-333-8447 • FAX 202-338-1565

d) As we stated at the BZA Hearing on June 5, **Home Corporation owes no property taxes on any completed and/or settled home at Parkside.** We are sure that you are well aware that a developer may not obtain an approved subdivision plat from the District government unless and until all property taxes are current. The Department of Finance and Revenue is the **first** stop in a series of approvals that are needed to record a plat. No settlement may take place until the lender has received a copy of the approved plat.

For much of the past 2 years, many residents have experienced problems with tax bills, due to technical difficulties at the Offices of the Surveyor and Assessor. Tax lots have been established slowly, many as long as one year after settlement, resulting in many homeowners' properties still being classified at the "investor rate" and, in some instances, the "unimproved land" rate. This has resulted in a number of residents receiving delinquent tax notices from both the District and their respective mortgage companies, as well as deficient escrow balance notices from their mortgage companies. Home Corp. makes it a practice of mentioning these problems at every Association meeting following our receipt of tax complaints from residents. Also, reference is made to these problems in the minutes of the Association meetings. In addition, residents are frequently encouraged to visit the Assessment Office and not try to resolve the problem by phone.

The Wrights are a prime example of this problem. They accused Home of not paying fully the taxes on their home before they took possession. After several months of calls and meetings with the Department of Finance and Revenue, Home Corp. agreed to pay approximately $1,400 in alleged past due taxes on the Wrights' home. Home still maintained that no additional taxes were due. Our assertions proved to be true, for within a month of paying the $1,400, we received a letter from the DC Department of Finance and Revenue indicating that **they** had made the error and that Home Corp. was due a refund or credit for the tax overpayment on the Wrights' home. I have referred to this specific example at Condo Association meetings, as well as at the June 5 BZA Hearing, when this issue was raised by Mr. Wright. Although Home Corp. tries to assist every resident in every reasonable manner, some issues are the responsibility of the homeowner. We did everything to point a all residents in the correct direction to resolve these problems. Home Corp. staff even assisted a number of residents in the drafting of letters and many phone calls on behalf of residents who were experiencing tax bill problems. We continue to maintain that Home Corp. owes no taxes on any property in Phase I.

Home Corp. is not involved in any "outstanding legal matters" Mr. Wright mentions in the petition. We do not know to what Mr. Wright is referring.

Part II

1) All exterior trim areas in need of repainting either have been done or are in progress. The wood trim on three buildings was improperly painted and is still under warranty. As of this letter, much of this work has been completed. In addition, beginning tomorrow, a painter will be on site to treat and paint all wood surfaces of every home completed prior to January, 1995.

2) We do not know to what Mr. Wright is referring when he mentions "open joints." Estimates are being obtained to repair the damaged wood surfaces. I might add that Mr. Wright's doorframe was rebuilt totally, at no expense to the Wrights. In addition, all other residents who have informed us of the similar problem have had their doorframes repaired or replaced again, at no charge. Several wood porches were damaged due to the grading of the landscaping. These isolated problems are being corrected.

3) As everyone is well aware, this past winter was the most severe one to strike the Washington area in twelve years. Problems with gutters and downspouts were not unique only to Parkside. Three estimates for gutter and downspout replacement and repair were obtained. The lowest estimate was over $24,000. The Association agreed to try to save and repair as many as possible, in order to minimize the total job cost. And, at last Thursday's meeting, residents agreed that we should arrange a meeting with the subcontractor who installed all gutters and downspouts. The purpose of the meeting will be to hold him accountable for a portion of the work based on improper installation, i.e., insufficient bracing, which caused a number of the gutters to fall. This meeting will take place before July 2.

4) Again, Home Corp. has repaired or replaced all doorframes for which residents have reported problems. We are unaware of there being "6 homes" experiencing this problem. We are aware of at least two (2) which are being repaired now, as part of the total site painting/maintenance work which will start tomorrow morning.

5 & 6) We take issue with the statement that "no explanation" has been provided. Whenever plumbing problems have occurred, Home Corp. has taken steps to correct them - at Home Corp.'s expense. However, there have been a number of resident-caused problems, for which Home, nevertheless, has borne the expense. A number of service calls received are due to owner neglect, i.e., placing inappropriate materials in toilet receptacles, sinks and garbage disposals; failure to properly adjust cutoff valves; and failure to disconnect hoses from hosebibs in the winter, resulting in frozen lines and interior damage. The latter has been responsible for at least four frozen and/or burst pipe problems.

In addition, every resident who has suffered damage or loss to personal items, carpet, flooring or furniture, has had those items repaired or replaced, at no cost to the resident. In most instances, insurance claims were filed and proceeds were used to repair or replace damaged items. Again, at least four of these mishaps were caused by owner neglect. At present, Home is unaware of any outstanding plumbing problems.

7) Home Corporation maintains that at no time, since the first settlement in 1992, has a resident been denied a legitimate service request, regardless of whether the warranty on the item has expired. We maintain this assertion, and, as we stated at the June 5 hearing, we challenge Mr. Wright to forward the names of any residents who have been told that we would not honor a service claim because of an expired warranty. Home Corp. has responded to a significant number of service requests for which we are/were not responsible. If we followed strictly the Homeowner's Warranty, at least **one third** of all requests for service would have been denied. A conservative estimate of nonwarranty work and service requests, that resulted from homeowner negligence, to which Home Corp. responded could be conservatively estimated at an average of $350 per home.

8) Again, any personal property damaged by ice, snow or other leaks, for which Home has been made aware, has been repaired or replaced, at no charge to the homeowner.

9) Home Corp. has not received any complaints of windows failing to lock or close properly. Apparently, this is an isolated incident.

10) This is one of the Wrights' personal complaints. The problem was corrected; the damaged carpet was replaced and damaged ceilings and walls were repainted several times, all at no expense to the Wrights.

11) The majority of all Parkside purchasers have used FHA financing. One of the requirements of settlement is to deliver an approved inspection report from the VA/FHA inspector. The inspection covers all common and limited common (front yards and parking spaces) areas. In order to obtain these inspection approvals, Home Corp. was required to escrow, with Eisen and Rome, P. C., the Settlement Attorney for Parkside, an amount equal to one-and one-half times the value of the work to be completed. These escrowed funds cannot be released by Eisen & Rome until confirmation by the inspector.

Within the next two weeks, Lasting Impressions, the landscape maintenance company under contract to the Association, will commence the final soil preparation and treatment that must be done before plants may be installed. Once the soil amendments have been installed, plants may be installed two weeks thereafter. This information was presented to the

residents at the June 20 Condo Association meeting and will be repeated in the minutes of the same meeting. Minutes are mailed to all residents, regardless of whether they attended the meeting.

12) Contrary to what is stated in the residents' petition, the Community space is not being used to "house or store equipment." The first floor is being used as the temporary construction office of TCM Corp. , our general contractor. With the completion of the bulk of the Phase I construction, as a cost saving measure, the TCM crew moved from its rented trailer and into the Community Building's first floor. Phase II construction will commence by late summer at which time another construction trailer will be brought to the site for TCM's use. It is important to note that the Parkside residents are free to use the entire second level of the Community Building, with proper notice. In fact, it has been the site of all Condo Association meetings for at least one year. In addition, the Daycare Center Building is complete and residents have full use of that facility. It will be the site of all Parkside Summer Youth Program activities. Also, at present, the Condo Association is bearing **no expenses** with regards to either the Community Building or the Daycare Center. Home Corp. is responsible for all maintenance, repairs, taxes, utilities, and insurance associated with both buildings. In fact, the Association's 1996 budget makes no allowance for any of these expenses. Thus, for at least the balance of this year, we believe that it is in the Association's best interest to allow Home to maintain control of both community buildings. Again, these buildings are available for use by residents.

13) Home will continue to maintain the one acre park, located at the center of Phase I, until full planting is done. We are working with the appropriate individuals at the Trust for Public Land to develop a trust for the park site. The purpose of the trust will be to identify sources of funds for the ongoing maintenance and upkeep of the park as well as for plant donations. Again, at present, the residents bear no responsibility with regards to the expenses of Parcel 6. All expenses associated with the park are borne by Home.

14) Marilyn Melkonian, President of Telesis and a Home Corporation board member, has been on travel for most of the last two and one-half months and, thus, has been unable to meet with the two resident board members. However, William Whitman, General Counsel of Telesis, as well as a Home Corp. board member, is willing to meet with the resident board members at their convenience. This was mentioned at the June 20 Association Meeting. As of this letter, Home Corp. has not heard from the residents as to whether they are willing to meet with Mr. Whitman in Ms. Melkonian's absence.

15) Again, the tax issue was discussed at Section I, paragraph (d) of this response. Please refer to that section.

Home Corporation is committed to making every resident's living experience at Parkside as fulfilling and enjoyable as possible. With any new home, regardless of where or how it is built, problems may occur. However, we have made every effort to address adequately all such concerns. A service request form is provided for all resident repair requests, regardless of whether it is covered by the Builder's Warranty (see attached service request sample form). We can only respond to repairs if we know they exist. We have tried to implement a workable system that addresses, in a timely manner, all residents' concerns. Unfortunately, a rapid response is not always possible due to availability of repairmen and, in some instances the homeowner.

We acknowledge that there have been some recurring problems at several homes; however, to the best of our knowledge, these problems all have been addressed. And, we believe that it is safe to say that the majority of our homeowners are extremely pleased with their decision to purchase at Parkside. Residents have been assured on numerous occasions that Home is not about to abandon the site or leave unfinished any of its obligations to the community. We will be a presence in the community for at least the next three years - throughout the construction of Phase II.

We are available to meet with you or any member of the Board and to answer any questions. Thank you for your cooperation and assistance throughout this process.

Sincerely,

William H. Highsmith, Jr.
Vice President

cc: Parkside Townhomes Board Members
enclosures