

Hidden Cove Townhomes Quarterly Newsletter

Board of Directors

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We weren't able to publish a newsletter for the last quarter of 2005 so this communication will be a little more robust than usual. On a related note, we hope that everyone has become accustomed to checking the website for periodic community updates. With busy schedules and personal obligations, the website and Hidden Cove email box are our preferred communication vehicles.

Association Dues

Effective January 1, 2006, HOA dues went up from \$108 to \$125. This increase is extremely reasonable, given that it's the only increase in dues since the property was built. While our property doesn't have the overhead associated with benefits such as a pool or tennis courts, the increase is necessary in order to cover general increases in operational expenses. In addition, it will allow us to maintain more adequate reserves for capital improvements and to cover the costs of unplanned emergency expenses that may arise. For anyone who may question where their money goes, we encourage you to take a look at our annual budget where you will see that we budget over \$45,000 for our water bill, alone. Some other figures of interest are \$33,000 for landscape maintenance, almost \$12,000 for property taxes, \$2,600 for liability insurance and \$3,600 for front gate maintenance. These are all planned expenses that do not include the unexpected expenses that we've had to cover over the past two years with items such as hillside erosion (approx \$3,000), drainage issues (approx \$1,000), two separate occasions for removal of storm damaged pines (\$3,600), gate circuit boards damaged by lightning (approx \$3,000), etc... As a community, we must be able to cover budgeted expenses but still have reserves to cover discretionary items and emergency needs, which necessitated the increase in HOA dues for 2006.

Delinquencies

As a community, we pay for collection efforts on all homeowner accounts that fall past due, including filing suit and subsequent lien filings. Once a lien has been filed, the owner may not sell without first satisfying any debts owed to the Association. As of March 2006, you may find it interesting to note that we have 5 owner accounts that are past due between \$800 to over \$3,000 and one 2005 foreclosure that cost us almost \$4,000. Please make every effort to remit payment of monthly HOA dues in a timely manner. Community Club Management has a feature on their website for anyone interested in making payment online.

2006 Budget (Attached)

The budget is reviewed, adjusted, and approved by the Board on an annual basis and is published and distributed to the owners. As part of the budget review process, we also revisit vendor contracts to make sure we continue to be pleased with the products and/or services being provided through those relationships. All non-budgeted expenses are submitted to the Board for approval before any funds may be disbursed so we are able to maintain tight control over our finances. The 2006 increase in HOA dues will provide the community an additional \$1,717 per month, which translates to an additional \$20,604 per year.

Capital Improvements

Last fall, the board conducted a capital improvements exercise, wherein we identified all common area assets (marquee, fence, gate, parking lot, retaining walls, mailbox shelter, etc...) and assigned a life expectancy. The board does not possess expertise in this area so we hired a professional to advise us in matters of replacement cost and setting HOA dues to accommodate these future expenses. Each year, the board/ community will be able to refer to this documentation to help make decisions concerning the priority of improvements.

Exterior Maintenance and Owner Obligation

The developers of this property had our bylaws written in a manner that defines all unit exterior maintenance to be the responsibility of the owner. There are some challenges with this, in that most buildings share a common roof and gutter system, which makes it difficult for one owner to make an update without making arrangements with the other owners in that building. Late last year, the board reviewed these bylaws and did research into the feasibility of rolling this into the HOA dues and transferring exterior unit maintenance responsibility to the HOA. While the change would not be initiated without first meeting with the owners to discuss, it turned out to be quite an undertaking as it would require an obvious increase in dues as well the involvement of an attorney to rewrite our bylaws. This is something that needs to be addressed in the next 12 months as maintenance becomes a more urgent matter. There will be more to follow on this topic.

Special Assessment - Exterior Painting

Exterior maintenance is required of each owner and the board's responsibility is to ensure that Architectural controls are in place to ensure consistency and uniformity in any updates that are made to the property. The Architectural Control guidelines specify that exterior painting is to take place every four years so we have been working with a vendor to negotiate a deal that will give us a significant savings, per unit, by having this work done as one large job. The total savings is several thousand dollars plus the company will be painting our front gate at no additional cost. **The price per unit will be approximately \$145. This will cover the cost of painting all front doors, shutters and awnings for each of the 101 units on the property. This will not involve siding or additional trim work. Each owner will be receiving an invoice for \$145 for this work, which is tentatively scheduled to take place mid-summer.**

Hidden Cove Board and Community Club Mgmt.

As you know, Hidden Cove does not have on site management and, as a result, there are inherent challenges that exist. We are fortunate to have an active HOA to guide the management company and to field questions and comments from the homeowners, but we would also like to point out that, as fellow owners/neighbors, we board makes every attempt to stay neutral and let the community by-laws direct our actions. As of this month, we are losing a second board member, who has purchased another home and will be unable to sit on the board for 2006. As a group, we only meet once a month but we stay in contact regularly via email or phone. As evidenced in this communication, we have some important initiatives to work on over the next year so involvement would require a time commitment. If you have interest in joining the board and have the time to commit, please email your contact information. A background in finance/ accounting would be a big plus but motivation is the only real requirement.

Community Rules (Attached)

The community rules are posted on our website and, for your convenience, have been attached to this newsletter. Please take some time to review and familiarize yourself with this information. Please note that Community Club Management sends a representative out to our property on a regular basis to report any community rule or architectural control infractions. Some of the more commonly reported violations involve the following:

Pet Waste - Please be a responsible pet owner and a respectful neighbor by cleaning up after your pet. We get multiple reports on this and it's generally the same offenders. Whether you are a renter or an owner, we ask that you clean up after your pet. If you witness unleashed pets or owners who do not clean up after their pets, please contact the management company with the unit number and they will take the appropriate action.

Mail Station - The "art work" that was left in the mail station using a magic marker, has been removed and the associated charges have been billed to our account.

Trash Service - Please do not leave your household trash in or around the trashcan in the mail station. This is for junk mail items only. If you are not paying for personal trash service, please don't assume that you should be using your neighbor's can or the can in the mail station. The trash in the mail station has been known to overflow because certain residents leave kitchen trash,

boxes, automotive fluid cans, etc. This trash is carted to the curb each week by a board member so please be respectful and dispose of your household trash, elsewhere. If you need contact information for one of the local trash services, you will find that information on our website.

Front Entry Gate

We can't do much about unauthorized vehicles trailing in behind owners at the gate because our system does not have drop-down arms to prevent this from happening. We've been having discussions with the gate servicing company about what we can do to prevent unauthorized vehicles from waiting for someone to exit and entering through the opened exit gate. There are several options that are being reviewed and our goal is to identify an effective, yet reasonably priced option for preventing incoming traffic from the exit side of the gate.

Ground Maintenance and Property / Landscaping Upgrades

The following initiatives are currently in the process or have recently been completed. Just for reference, where available, the associated cost has been noted, as well.

- Removal of remaining Pines on hillside that continue to fall in heavy wind/rain and removal of hard wood trees lining the drive that were crowding out the cypress trees (\$1,800)
- Pines replaced by 300+ low growing junipers (\$2,400) and six new flowering magnolia trees (\$972)
- Addition of 12 new cypress trees to form a privacy screen behind building 4 and 5 (\$690)
- Drains installed to address standing water behind building 2 and building 4 (approx \$1,000)
- Addressed steep grade behind building 9, with the addition of a natural area and junipers (We were able to transplant existing junipers at no cost. Labor cost TBD)
- Addition of a new flowerbed to add color inside the gate (Cost TBD).
- Trim being painted on Mail Station and new signage being installed (Crime Watch, Pet Waste Clean-Up, and No Solicitation) (\$300)

Fence Replacement

The white vinyl fence that screens us from the shopping plaza is being removed this month and replaced by an 8 ft cedar privacy fence with a hidden pass through to the strip mall. The hidden pass through will replace the existing hinged gate. The white vinyl fence looks fine from a distance but it is not very high quality and has been costly to maintain. The cedar fence will more structurally sound, will require no stain and, in general, will be very low maintenance. The total cost of the fence removal and replacement is \$14,350 and is not covered by the normal expense budget.

Rental Cap

This is likely to be contentious going forward but is probably the single most important element in determining the future appreciation of our property. Most town home/ condominium developments incorporate a rental cap into the bylaws of the community to maintain a reasonable balance of owner occupied vs. investment/rental property. Our bylaws do not currently have such language and we are currently at 29% rentals. This is too high as the average cap on rentals for a development of our size is closer to 15%. The board has been discussing options with respect to drafting a proposal for incorporating a rental cap into the Hidden Cove bylaws. Of course, no formal action would take place without the vote of the homeowners but we want to make note of this for your future consideration. As part of this proposed bylaw amendment, we would allow for a clause to grandfather in those units currently being rented. There will be more to follow on this subject.

Parking

This has been a controversial topic over the past year and we get emails on this more than any other topic. The issue with parking is that the developers of this property made promises to original buyers that they would be allocated two spaces. However, they only marked one space for each unit. Most homeowners assumed ownership over the second space that was nearest to their marked space. Over time, as new residents have moved in, they are unaware of this arrangement and are parking in unmarked spaces that have been utilized for years by another owner. Now the issue of ownership and rights to the unmarked spaces has come into question and the board and Management Company can do little more than defer to the

condo bylaws for guidance. While those bylaws do state that each owner may have up to two spaces, it does not make specific reference that we actually DO have two spaces so it makes it virtually impossible to administer. In an effort to resolve this issue, we have decided to involve a third party consultant to come to Hidden Cove and evaluate our parking needs. Our plan is to have them provide us with a report to tell us a.) The number of available spaces and b.) Their proposal/ recommendation for assignment of the second space, with the goal of keeping it as close to the first space as reasonably possible. We will communicate the results of that survey and, assuming we have the capacity, we will be marking the second spaces for each owner. If there are any owners who actually have the second space written into their contract, then please let us know because up to this point that has not been the case.

Crime Watch

While there have been no recently reported incidents, it's a good time to remind everyone to take the usual precautions when it comes to safety. This means don't leave valuables visible in your automobile, report streetlights that are out, and keep windows and doors locked. There were some incidents last year with some kids who were climbing on the patio storage unit and accessing second story windows so please make sure that you never leave windows unlocked. You may also want to contact the security alarm company about second floor wiring, as the standard unit wiring includes only the first floor. The board has purchased a Crime Watch sign that is being installed in a visible spot inside the property. Please do not hesitate to report suspicious activities to the police.

Bell South and GA Power

Please email the board when you notice any street lights that may be out or contact GA Power and provide them with the pole number that is posted on that particular street light post. Please also report any visible phone lines or cables that may be in the lawn so that we can contact the proper authorities to have these lines buried. We have recently reported some vandalism/graffiti on some of the GA Power green transformer boxes so if you live near one of those transformers, you should soon see that corrected.

Thanks for taking the time to read this newsletter and thank you, in advance, for your continued cooperation as we strive to make Hidden Cove a pleasant place to live. Have a great summer!

The board would also like to thank Riz Shakir for his involvement as Treasurer. Along with our thanks, we'd like to wish Riz and his wife all the best of luck in their new home.