Subject: Highlands Entrance Update

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To: HDHOA Mailing List <hdhoamembers@hdhoa.avenue.org>

Dear HDHOA Homeowners:

The following is a summary of developments (related to the shared maintenance of the subdivision entrance) since the last update which I had provided in late-August last year. Our ongoing discussions with officers from other HOAs with respect to renewing the landscaping at Highlands entrance have not made much progress. In fact we seem to have gone backwards with respect to continued upkeep of the entrance landscaping easements.

In January 2013, Highlands at Mechums River Owner's Association (Highlands 1A) notified all other HOAs through their attorneys that they were not required to contribute towards maintenance of the Highlands entrance (copy of the letter from their attorneys). Recently, during a meeting of the representatives of all of the five HOAs, the president of Highlands 1A reiterated their board's position that they will no longer reimburse us for their share of the common expenses for mowing of the grass and other grounds maintenance related expenses.

In fact, they will also not be contributing towards the expenses already incurred during maintenance of the front entrance area for 2012 beyond what their Association had already paid out (they pay for electricity at the entrance sign and a VDOT bond). In the prior years we used to collect everyone's expenses (e.g. we pay for mowing, Highlands 1C pays for tree maintenance/removal, Highlands 1A pays for electricity etc) and pro-rate it based on the number of houses in each of the five HOAs. This year Highlands 1A have decided to not share the costs paid out by others.

Clearly, they have broken good faith understanding which existed between the HOAs in the past, and so we stand to lose a portion of the reimbursements for the shared maintenance costs that our HOA paid up front during the past year on everyone's behalf.

Our HOA board members have weighed the various options available and have decided that we should make another month's payment to the contractor and notify him and the other HOAs that unless there is quick resolution in the next few weeks, the contract will be terminated. This decision was taken because it became hard to justify that we continue to shoulder the financial burden for maintaining the entrance when another association, in a position similar to ours, is not doing so. Also, in addition to losing support from Highlands 1A, other HOAs might decide to stop contributing for reasons similar to ours, reducing the reimbursable amount for this year, further adding to our losses.

With no clear agreement in sight even for the continued maintenance of the entrance easements, the plans for replacing the landscaping that was lost during the derecho of July 2012 and renewing the worn out fences has been put on hold indefinitely. In the meanwhile, the projected costs for the upcoming years under various scenarios - (i) of doing nothing (other than what we have already been doing cutting grass, remove debris etc), (ii) of making some improvements at a time in a phased manner, or

(iii) making all of the <u>proposed improvements</u> all at once - were worked out and discussed. This <u>worksheet</u> is provided for information only at the present time.

In the end, I am sure something will work out - however, unfortunately, at this point it does seem that the appearance at the Highlands entrance will get a little worse before it gets better.

Regards,

Kamaljeet S. Saini

Treasurer / Highlands Detached Home Owners' Association