

OAKS NORTH #2 NEWSLETTER - SPRING 2018

EX-PRESIDENT'S CORNER

Within the last ten days, Barbara and I decided to move to Charlotte, NC to be near family. It was a very hard decision to make since we love it here so much!

It has been an honor to serve as president of our HOA#2 the last eight years. Your cooperation and patience during our construction and painting projects has been appreciated.

Oaks North HOA#2 has been blessed with very good board members who were and are dedicated to improving our community. Don Loving is the new board president and he and the rest of our board will do a fine job of managing our property. Chris Hodge and Elite Management have been instrumental in guiding us and I appreciated his leadership.

I will resign after the April meeting. Barbara and I will be moving by May 1st. Thanks again for your cooperation!

Sincerely,
Tom Brugh

ANNUAL MEETING: Our Annual Meeting was held on March 19th at the community center. Meeting topics are included in this newsletter.

Elected to the board for new two-year terms were Tom Brugh and Sherri de Charon; both current members. A new member, Danny Winn, was also elected for a two-year term. The board unanimously voted Don Loving as Board President to replace Tom and Sherri de Charon as Vice President. With Tom's resignation, we have one remaining seat to fill. **Any owner interested in serving on the board is encouraged to contact Chris Hodge in writing, at Elite Management: chris@elitemanagement.com by April 27, 2018**

FINANCIAL RECAP: In 2017 assets increased by \$224,000 of which reserve bank balances increased by \$204,000. These fully-insured balances improved and operating costs were managed near budget, resulting in the net income slightly exceeding budget with a net gain of \$16,555. The reserve increase was composed of \$243,000 from operations and a net after tax interest earnings of \$19,000; a total contribution to reserves of \$262,000. That is in 2017, reserves increased from \$1,415,000 to \$1,619,000.

To maintain buildings in 2017, \$173,000 was spent on major maintenance projects such as stucco and roof repair and deck replacements; only \$42,500 from reserves, \$130,500 absorbed through operating expense. In 2018, scheduled projects to repair structures and complete painting for two years may cost \$260,000.

A comprehensive reserve study is performed each year. A review of progress will be reported this fall at an open board meeting. On a per unit basis, our reserve balance is \$6,922, which represents 75% or a slight improvement towards the study guideline. 2018 reserves are on a path to a net increase of \$77,000; \$1,700,000 by years' end and approximately \$2,000,000 by 2020. Great progress from the \$80,000 reserve balance and 8% funded status in 2006. As an owner, I appreciate the progress the HOA has made towards reducing exposure to risk of special assessment to maintain the status of the facility. This year's audit report, not yet complete, will be mailed to you.

In conclusion, the financial condition of HOA#2 is sound, stable and improving. Expenses are very near budget expectations and the goals of the reserve are being addressed. - Wes Shriver, Treasurer

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BUILDINGS MAINTENANCE AND REPAIR: Thank you to all residents for your help in identifying and reporting maintenance and repair issues in 2017. With your help and patience, a lot of work was accomplished. New work has already begun in 2018 in many areas, including wood repair, rain gutter replacement, exterior painting, and concrete repair. We ask for your continued help in notifying Elite Management of any and all building maintenance concerns in and around your home and the community.

LANDSCAPE RENEWAL PLAN: Our community has a significant amount of landscape materials; most is mature. Some is aged past its growing life and some has been affected by disease and pests. Your board of directors has developed a Landscape Renewal Plan intended to update the landscape materials, reduce maintenance and irrigation costs and improve the appearance of the community. The plan covers a 5-year period; budgeting 1-year at a time. It was developed by walk around assessment, consulting nurseries and landscape designers, including our landscape and tree maintenance contractors in discussions, and establishing a priority system.

Aged materials, like twisting and other junipers, Italian cypress, and oleanders will be replaced with low maintenance, drought tolerant, fast growing material. Turf, unable to grow in some areas, will be replaced with crushed rock and plants. To reduce cost, irrigation will be capped where plants receive water when the grass is irrigated and old sprinkler heads will be replaced with new heads designed to reduce water usage by 30%. Where possible, spray irrigation will be replaced with a drip system.

The board invited a Senior Urban Designer for the City of San Diego to visit to our community. The goal: to gain an understanding of the current city guidelines regarding trees and discuss our plan. The response was positive. We will execute the renewal plan in keeping with city guidelines and continue to replace diseased and pest infected trees with low maintenance, drought tolerant, disease resistant, fast growing trees.

This renewal plan addresses landscape throughout the entire community. Changes will not happen overnight, but you will see Greenbrier Tree Service and Vitale Landscape Maintenance personnel on-sight removing and replacing landscape material. Please understand, we are not removing or replacing growing, healthy landscape materials and we don't trim or remove trees to improve "the view".

Your board of directors respectfully ask for your cooperation in continuing to improve our community. If you see an area getting too little or too much water, please inform Elite Management. Additionally, please refrain from making requests or directing the work of the landscape personnel. Help the board and Vitale by reporting all concerns to Elite Management.

HOUSEHOLD WATER CONSERVATION: Water is our highest HOA cost and rates are increasing annually. You can help reduce the residential cost by checking for possible water leaks in faucets (inside and outside), showerheads, water heaters, and running toilets. **Report any water leaks immediately to Elite Management**

MISCELLANEOUS:

- Improper parking is a frequent complaint. One car must be parked in your garage or carport. A second car can be parked in a designated parking space in your area. Additional cars must be parked on the street. A car should never be parked in front of a garage or unit.
- If you have a garage, please do not leave your overhead door open for long periods of time. It can be an eye sore and also invites thieves, wildlife, and fosters rodent/ pest population growth.
- Storage Units are available for rent. Please contact Elite Management if interested.