

Shadowbrook Homeowners:

It has come to the attention of the Board of Directors that an e-mail, authored by one of the homeowners, is circulating and causing a great deal of anxiety in the neighborhood. The e-mail, though based loosely on real facts, is riddled with exaggerations and inaccuracies. Due to the extreme nature of the accusations, the BOD felt it necessary to respond to the allegations head-on. What follows is the text of the homeowner e-mail in its entirety, with the exception of the author's name which we have removed to maintain the author's anonymity. Our responses are in blue, interjected into the text where appropriate.

This is not the first time that the Board has been the target of such a vicious attack of words. It goes without saying that we are saddened and disappointed that rumors like this continue to be directed at us. It is our sincere hope that in the future, homeowners will come to us directly for clarification or explanation, rather than distributing unsubstantiated accusations. The time we spend responding to threatening correspondence like this is time we are not spending on the real issues that face our community.

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**[The text that follows in black is a verbatim copy of the e-mail that was sent by one of the homeowners to at least 15 other homeowners]**

Hey Folks,

It has been brought to my attention by a very reliable source that our HOA is out of line on a few issues and action must be taken.

1) HOA DUES: I was told that the Board intends to raise HOA dues for the Townhomes by 78% and for the Single Family Homes just \$15. This is an unfair ratio and double what would even be necessary in order to get the communities budget back in line. They have no intention of even informing the community until it is too late for anything to be done. The budget has yet to be itemized, meaning they have no budget in place, yet they want to raise dues to a random number. They site townhomes receiving the benefit of roof replacement and painting based on wear and tare. Yet, single family homes receive the majority of the landscape maintenance in this neighborhood. The most costly part of the neighborhoods budget.

**[The following italicized comments (and the italicized comments later in the document) were added by the author in a subsequent e-mail, issued as a "correction" to the first e-mail.]**

*The townhome dues would increase by 73% not 78%. The Single Family homes still by \$15.*

*There is a budget in place, however, it has not been itemized in terms as the reasoning for so high of an increase. And why it is so imbalanced.*

BOD RESPONSE: The "very reliable source" was not as reliable as the writer assumed. There is a proposed budget, authored by our management company (GW and Associates), that calls for a 73% increase in HOA dues for the townhomes and \$15 for the single-family homes. But it is a preliminary budget that should have never been made public. We don't yet know exactly how GW came up with these numbers, but we are looking very closely at it. In addition, we are developing our own numbers for comparison. A big part of this will be driven by a "reserve study" by a neutral third-party that the BOD commissioned several weeks ago to determine how much money we need in reserves to pay for ongoing maintenance.

The writer says the budget increases represent "an unfair ratio and double what would even be necessary in order to get the communities [sic] budget back in line," but has no facts to back this up. On the surface the proposed dues beg for further investigation—and that is precisely what your BOD is doing, and why the budget has not yet been made public.

The writer then says, “they site [sic] townhomes receiving the benefit of roof replacement and painting based on wear and tare [sic]. Yet, single family homes receive the majority of the landscape maintenance in this neighborhood. The most costly part of the neighborhoods [sic] budget.” It is true that reserve funds will need to be set aside for roof replacement and exterior painting of the townhomes, but it is premature to say what that will cost or how that will compare to annual landscaping costs. Landscaping costs will be allocated to townhomes and single-family homes based on their individual relative costs.

Our neighbor then states that “the budget has yet to be itemized, meaning they have no budget in place, yet they want to raise dues to a random number.” The writer offers a correction later saying, “there is a budget in place, however, it has not been itemized in terms as the reasoning for so high of an increase. And why it is so imbalanced [sic].” It’s true that there is no budget in-place yet, because it is still an incomplete document! Further, the preliminary budget we have received from GW and the budget that we are working on is, and always has been, itemized. You can not have a budget without itemizing costs. Rest assured that if we do raise dues, it will not be based on some “random number.” If an increase is warranted, every homeowner will have a clear accounting for why additional funds are needed.

The writer continues to say “they have no intention of even informing the community until it is to [sic] late for anything to be done.” This is not the case. Per the covenants, the BOD is responsible for making the budget public 45 days prior to the day the new budget is to take effect. We have always planned to have the budget completed and publicized by November 15, 45 days prior to the start of the 2008 Fiscal Year.

2) BBQ GRILLS: Apparently this issue is not dead and they are hell bent on finding a way to disallow them at any cost. This is a moot point.

BOD RESPONSE: This rumor is most likely related to a shred of truth that was blown out of proportion. The BOD received an update from the State Fire Marshall and basically it boils down to there being a disagreement about the interpretation of the law between the State and Gwinnett County Fire Marshalls—nothing new here. Frankly, none of this matters with regard to our position. The BOD's position is the same as was stated in the most recent letter on the subject: we don't enforce the laws; it's not our role. Every member on the Board agrees with this position wholeheartedly. It's a closed issue.

3) There has been no Majority on any decision enforced and the concern is that 1 or 2 people are overruling the others. NOT A RUMOR!

BOD RESPONSE: To say there has not been a majority on any decision would not only be a “rumor”, but a grossly inaccurate representation of the truth. All of our official decisions have been documented in the published Board Minutes, documents which have been reviewed by and approved by each member unanimously. To date, there has been only 1 non-unanimous decision: one Director opposed a recent modification request, but since 4 of the 5 Directors were in-favor, a majority ruled.

Basically, unless we as a community decide to simply remove the board we will have a ridiculous hike in HOA dues. Is a raise necessary, of course. But a better solution brought forth by many homeowners I've spoken to is to raise the entire community so that everyone pays \$100 monthly. That is fair and balanced. Then there could be NO talk of being biased. This is a VERY biased board.

BOD RESPONSE: If there is an increase in dues, it is because it is warranted by the financials, and it will be clearly justified to the homeowners. To say this is a “VERY biased board” is unjustified and incorrect. The BOD makes decisions based on what is good for the community as a whole, and we can assure you we never make decisions to favor the single-family home owners to the detriment of the townhome owners, as is suggested by the writer.

So...we need 21 homeowner signatures to call a special meeting, and then 67% of the community to vote yes to overturn the Board. There are 116 townhomes and 85 single family homes. Many live out of state, so it won't be easy, but it MUST happen. We need volunteers to assist with gathering of signatures and votes as well. If you would like to assist, please respond. It will take approximately \$80

in postage so if you can throw in a couple dollars that would help as well.

I KNOW that I will be blamed for the mutiny, but I sadly regret turning over the HOA to these people who spend many hours and several meetings doing nothing productive. We need townhome owners to volunteer, and we need some strong candidates. WE CANNOT ALLOW Betsy to run again and win. That would be horrific! She truly is running things at will. ( I understand that the prez always gets blamed, but in this case, it is true!)

Mayor Masino....I understand your reasons for not wanting to run for the Board, trust me, but even if it was for just a brief time, it would help immensely. Folks would start to take this crap seriously. You could resign in a couple of months. Just ponder it, please.

*Folks, let's all just sing kumbaya. This was my advice from a wise community member. I think we all just want to protect our investment and have a community we all enjoy living in.*

*Again, I like to admit when I am incorrect about something. But I think we all would like to see a change. I personally cannot sit back and allow our dues to go up with no advance knowledge. That was the intention of some of the members.*

*Let's love thy neighbor and start a friendly dialogue.*

**BOD RESPONSE:** We will let these words speak for themselves. This is clearly an angry writer, who is clearly not happy with the job we are doing. The writer is certainly entitled to his or her opinion, and those who agree are welcome to follow the due process to remove any or all of us from office. This is not a dictatorship! We do not want to be here if the homeowners do not think we are representing their interests. But while we are still here, the Board will attempt to do the job we were elected by you to do.

Some final words: The BOD wants you to know that we realize we have dropped the ball lately with regard to communication. If we did a better job of telling you what we were up to, rumors like this would not be as easy to propagate. We will do a better job of this in the future. Our plan has always been to have monthly open meetings, but it seems we are always fighting fires and before we know it, the month has come and gone.

We ask that you consider these facts before judging us too harshly: 1) We have only been in office for 4 months now, 2) Your BOD is made-up of volunteers; all of whom have full-time jobs and/or other responsibilities, 3) We inherited an organization in severe financial distress, and one with problems we are just starting to understand, and 4) The prior leadership resigned en masse, which left us to largely fend for ourselves. We are doing the best we can. If you will work with us, I think we can accomplish some great things.

Sincerely,

Shadowbrook Board of Directors