

Mountain Brooke North Homeowners Association, Inc.
c/o Sixes Management Group
1007 Towne Lake Hills East · Woodstock, GA 30189
www.mountainbrookenorth.com

October 9, 2019

IMPORTANT VOTING DOCUMENT ENCLOSED – PLEASE READ

Dear Mountain Brooke North Homeowner,

I'm writing on behalf of the Mountain Brooke North Homeowners Association Board of Directors to propose critical amendments to the Mountain Brooke North Homeowners Association Covenants. The Board works diligently to limit operating costs, while continuously maintaining and improving the Association's common property. However, investments must be made in the community to be sure that our neighborhood remains competitive in the residential marketplace, and that we are able to provide a quality environment for our homeowners, families, and their guests.

As you may be aware, the Association was not left with significant financial resources when it was turned over to the homeowners from the Declarant, and the Association's current assessment amount is not adequate to meet the recurring maintenance needs of our community. In addition to addressing the routine maintenance of our neighborhood, there are also specific improvement projects that need to be addressed, including a plan to address the area adjacent to Tom Avery Drive under the power lines. Other concerns are the maintenance of our community detention ponds, maintenance of empty lots owned by the Association, as well as other future needs including lighting, signage, landscape enhancements, and improvements to provide a competitive and attractive residential community in order to protect and preserve home values for each of us. Our Association Covenants limit the annual assessment increase that may be implemented without a vote of the community, and the Board would like to limit future assessment increases. To that end, we are proposing a Covenant amendment that will contribute to the long-term success of our Community without requiring immediate additional funds from existing homeowners. As outlined below, the Board proposes to initiate a Capitalization (transfer/initiation) fee for *future purchasers* of Mountain Brooke North homes. Any funds generated from this fee would be contributed to the Association's Reserve Fund, which is used for capital expenses, such as replacement of amenities, non-recurring projects, and other investments necessary to maintain our Association. Fees of this nature are becoming more common in Association Covenants and are intended as an additional income stream to supplement income generated by annual assessments.

Enclosed with this letter are the details of our proposed Covenant amendments, and a meeting has been set for **Wednesday, November 13th at 6:30 PM in the Ball Ground City Hall** to propose a resolution to adopt these amendments. At the meeting, 2/3 of the total Association vote must be cast in favor of the amendment in order for it to be adopted, as required by our Covenants. Fortunately, 2/3 of the homeowners are not required to attend this meeting in person, and you may complete the enclosed Proxy form for your vote to be cast in favor of the amendment without having to attend the meeting in person. Of course, the Board would love to have all homeowners attend and vote in person, **but completing and returning the enclosed proxy will allow for your vote in favor of the amendments to be passed.** The Board is asking for your support and written consent for the following changes:

Amendment to the Declaration of Covenants, Restrictions & Easements for Mountain Brooke North Homeowners Association, Inc.

Capitalization Fee and Foreclosure Administration Fees – It is critical that we maintain the integrity of our landscaping and infrastructure, address the condition of property that was turned over to the Association from the developer, and invest in order to remain competitive with new residential communities to preserve and protect the value of the homes in Mountain Brooke North. To generate additional income from sources other than annual assessments paid by current homeowners, the Board is proposing to add the following two fees:

- 1. Capitalization Fee** – This proposed change would implement a fee of five hundred dollars (\$500.00). This fee would be charged to the Purchaser of a Unit (home) within our Association and would serve as an upfront investment by each new Owner in the maintenance and upkeep of our community. While there are not a tremendous number of sales in any given year, this Capitalization Fee would be an additional revenue stream for our Association and would contribute in our efforts to preserve and improve our Common property and amenities. **No current owner would pay this fee**, but instead, the fee will only apply to purchasers of homes. This type of fee has become increasingly popular with Associations over the past decade, is utilized by many other communities in our area, and is in place in a large percentage of new communities being developed.
- 2. Foreclosure Administration Fee** – The Association spends a significant amount of time and incurs expense in dealing with the intricacies of foreclosures within our community, and often is forced to write-off assessments owed to the Association because of foreclosures. To offset the costs associated with foreclosures, this proposed change would implement a fee of five hundred dollars (\$500.00), for any Person who acquires a Lot through foreclosure of a Mortgage or by deed in lieu of foreclosure. This fee will typically be paid by a bank or other financial institution. In the event of a foreclosure, only the Foreclosure Administration fee would be required, not both the Capitalization Fee and the Foreclosure Administration Fee.

Issues Related to the Declarant's Turnover of the Association – although the Association was turned over to the homeowners, there were certain items that were not properly documented and recorded. The proposed changes properly document the turnover of the Association from the Declarant (Developer) to the Board of Directors and also address maintenance costs in the new Phase of Mountain Brooke North prior to completion and turnover of that phase to our Association for management and maintenance.

The Board hopes that you will support the proposed Covenant Amendments by signing and returning the attached Proxy.

It is our sincere desire to address any questions, concerns, or requests that you might have. Please do not hesitate to contact any Board member (contact information available on the Association website) or contact our Community Association Manager, Sixes Management Group (contact information below). The Board is working diligently with our Community Association Manager to maintain and improve our community, and your support of these changes will provide valuable tools to assist in our efforts. The proposed amendment and consent form are also available on our website at www.mountainbrookenorth.com.

Please return the signed Proxy in one of the following ways:

1. Return by mail (or deliver in person) to Sixes Management Group at 1007 Towne Lake Hills East, Woodstock, GA 30189
2. Deliver to any Mountain Brooke North Board member: Howard Bailey, Philip Kingston, Mary Luchan, Pattie Simmons
3. Deliver to any dropbox at the following addresses:
 - a. 201 South Mountain Brooke Way
 - b. 133 North Mountain Brooke Drive
 - c. 419 Tom Avery Drive
4. Scan and e-mail to amendments@sixesmanagement.com
5. Fax to (770) 591-1444

Best Regards,

The Board of Directors
Mountain Brooke North HOA