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BOARD MATTERS

PROPERTY HIGHLIGHT EDITION

PORT ROYAL TENNIS VILLAGE

Port Royal Tennis Village is a community that takes advantage of Hilton Head Island's greatest asset, its wide sandy beaches which are just steps away from their front door. The two natural jetties on the beach at each end of the several mile strands create a sense of privacy. The surf is gentle and the ocean breeze is ideal for plenty of rest and relaxation. Also, if you prefer, you can unwind and sunbathe by the tranquil pool surrounded by beautiful landscaping.

This community was constructed in 1983. The association is comprised of 70 units separated into two separate regimes. Both regimes have recently gone through large scale renovations to enhance property values.

Thirty three units are located in a four story high-rise building called Village House. They recently renovated their lobby, which now includes elegant molding. The entrance



area provides a warm welcome to everyone that passes through it. They also installed a video security system, which provides 24 /7 surveillance which provides an extra measure of security for all residents.

The other 37 units are across the street. These townhomes or one story lagoon/golf villas are called Beckenham Devonshire. Over the last two years, this regime replaced and refurbished the wrought iron work and repaired the stamped concrete. Continued enhancements

have added to the exterior of the property making it more aesthetically pleasing to home owners and guests alike.

Each regime is governed by two very active Boards of Directors. Association Services has been managing Port Royal Tennis Village since 1991. Carolyn Neely, CMCA, has been the Community Manager for the last three years and has been a tremendous asset in ensuring this community remains one of the premier communities in Hilton Head.

ASSOCIATION SERVICES - HILTON HEAD (HQ)

19 Executive Park Road Suite 1 Hilton Head Island, SC 29928
843.785.7070 www.asihhi.com

FROM THE CEO



A few months ago I assumed the role of CEO of Association Services, Inc. While I am thankful for this new position I am also humbled by the many challenges we are currently facing. The current economic and financial crisis gripping the world today has impacted most every organization and individual. I think these times have challenged each one of us to do some serious soul searching and ask ourselves, what really is most important?

Here at Association Services our only business is serving the various needs of community associations. We are focused on providing valuable and cost effective services for your community while recognizing that each community we serve is unique and that one size does not fit all. Through continued education each one of our staff team is learning and implementing new and better ways to deliver timely and accurate information and services. We also are proactively

working with vendors on ways to improve services and keep costs as low as possible during these troubled times.

What is most important to us is earning your trust and knowing it is our desire to build long term relationships. To accomplish this we recognize we must continue to improve. It is important that all of our clients know that we value any feedback to find ways to better serve you. Although we recognize that each community is unique, we also recognize that many of the challenges or problems have already been faced in other communities. We have many tools and resources available to all Board members to help gain more knowledge and to be more effective in your roles.

In closing, I want to thank each one of you for your business and the relationships we have built over the years. Feel free to stop by our offices when you are in the neighborhood. I would like to meet each one of our Board members and I look forward to working together with you to help build a strong, well maintained, vibrant community here in the Low country.

COVENANT COMPLIANCE INSPECTION (CCI) WHO NEEDS THAT?

Imagine an owner has just closed on a beautiful condo to soon discover your unit is not in compliance with community standards. After closing, the owner learns that the front door was replaced by the previous owner, but it is the wrong style door. They contacted the association's Management Company to investigate only to find out that the door is not consistent with the approved style of doors and will have to be replaced at the new owner's expense. These improvements were done without permission from the Association and in violation of the Master Deed.

This scenario and many others's regarding Covenant Compliance issues occur every day. They can prove to be costly to the current owner through no fault of their own, and a headache for the Board. Covenant Compliance enforcement is a step to protect property values and ensure all owners are conforming to the association's governing documents. A Covenant Compliance Inspection (CCI) is a program designed to mitigate risks to the association and to existing and future Association members.

A key problem with the sales process today is that only "known" issues are disclosed, usually the homeowner's delinquent account balance, or other financial issues normally tracked by the association.

A CCI helps uncover the rest of the story by inspecting the exterior of the homeowner's unit and/or lot, allowing the association to have an excellent opportunity to resolve any existing covenant violations, use restrictions or architectural control issues prior to the change of ownership.

At the time a property enters escrow, one or another of the parties to the transaction (Title Company, seller, real estate agent, etc.) contacts our local office for the homeowner's account information and the disclosure information relative to the Homeowner's Association. It is at this time, that a CCI is requested to cure an instance of noncompliance.

The cost for the CCI is not an association cost; it is requested and paid for by the individuals involved in the sale of the property. The CCI helps ensure all current owner's are in compliance with the community covenants and protects new owners as they purchase and become members of the association. It also provides a degree of protection to existing homeowners as they sell their condo unit or home by giving them the added assurance that their unit and/or lot has been adequately inspected, and that the purchaser will not seek recourse against the seller in the future for a covenants violation that may have existed, but wasn't known at closing.

For a more information and a brochure about the CCI program please contact your Association manager.

VIEWS FROM ASSOCIA®

Associa® & Community Archives® Help Lenders with New Loan Information Requirements.

CAROLYN CUMMINS, PCAM®, CMCA®, SENIOR VICE PRESIDENT, ASSOCIA



If condominium buyers thought getting a loan was difficult before, watch out, it just got harder. Due to increased requirements through Fannie Mae and Freddie Mac, lenders are now requesting even more detailed information when trying to lend money to potential condominium buyers. Each lender has their own questionnaire full of carefully worded questions that are often difficult for management companies to answer. The new lender questionnaires are longer and more complicated with new questions that require additional time, valuable time the manager could be using to handle community issues. Fannie Mae and Freddie Mac have new stipulations that require lenders to verify details such as:

- A minimum of 10 percent of the annual revenues allocated to reserve funds.
- Less than 15 percent of the delinquencies can be more than a month delinquent.
- New condominium projects must have 51 percent or more of the units conveyed to purchaser.

How should management companies help lenders meet these and other new requirements? Community Archives has the answer. Associa has proactively made the process easier for all involved by utilizing Community Archives' online service. Community Archives offers a six page standard questionnaire of comprehensive information developed typical lender questions and is viewable online before purchase. The standard questionnaire is completed by the management company via Community Archives reducing the amount of time managers must dedicate to the process.

Before Fannie Mae and Freddie Mac made tougher restrictions, Community Archives was already well versed in the process. Now, to help with the recent increased restrictions, management companies using Community Archives can offer to complete a lender specific questionnaire or survey for an additional fee to the lender.

How the new Fannie Mae and Freddie Mac requirements will affect condominium loans, and ultimately sales, is unknown, but what is clear are the new requirements, and Associa and Community Archives are ready. Go to www.associaonline.com, ask your resale department, or contact Community Archives at 1.800.995.0682 to learn more.



LAKE FOREST HOMEOWNERS ASSOCIATION

Lake Forest Homeowners Association consists of 87 townhomes which exists on a sizeable piece of property averaging over 8 acres which overlooks the Sea Pines Forest Preserve. The view seen from each villa is of the immaculate lagoon system that extends for a half of a mile. Lake Forest comes alive with its lagoon edges filled with wildlife ranging from The Great Blue Heron, Snowy White Egrets, and not to mention the wonderful turtle families and alligators who can be seen sun bathing on a warm sunny afternoon. Among all of the nature, owners can utilize the private swimming pool and the three recently renovated tennis courts all within walking distance of each front door.

Lake Forest is by far one of the top most relaxing and most beautiful communities within Stacie Jacob's portfolio. Stacie is a senior community manager at ASI who has managed Lake Forest for nearly 12 years. During this time she has assisted the Board with many projects since their affiliation with ASI in 1996. The Lake Forest Board of Directors has done a wonderful job with maintaining this sanctuary of an association to the highest standards.

Please take a moment on your next tour in the Sea Pines Plantation and come see this beautiful association. Watch out, you may just find yourself wanting to live there!



IS YOUR COMMUNITY PREPARED FOR A DISASTER?

As you know your community is located in an area of the country which experiences the threat of major disaster perils. It is suggested that community associations prepare for disasters in advance by developing a customized plan to meet your property's needs. This can be accomplished by setting up a committee or a team of volunteers. Below is a summary of several items that may help if you elect to form a disaster committee plan.

- What is your exposure? (hurricane, earthquake, mechanical breakdown, flood etc.)
- What are your community's physical assets? For example: pool house, tennis courts, club house, pool, equipment serial numbers, etc.
- Create means of communicating before, during and after a disaster such as communicating via email, homeowner link, or a community website.

- Check with local authorities for free planning guides.
- Electronic backup of community information for instance names, addresses and phone numbers.
- List of Community Management Company and emergency contact information.
- Provide a list of steps for residents to take prior to a catastrophe, for instance removing patio furniture in case of a hurricane.
- Make the owners aware of how the Board will set up the process to accumulate funds for a contingency fund for restoration and speedy recovery.

LAKE ESTATES



Lake Estates is one of the premier condominium communities located in Bluffton. These luxury Coach Homes boast spectacular views of Hampton Lake, a private boat dock and pavilion available to members, as well as meticulously maintained landscaping. Each building contains two or four single-level homes with two or three bedrooms, a private garage and courtyard. The Coach Homes are also located adjacent to The Lakehouse at Hampton Lake for easy walking to Hampton Lake's restaurant and amenities.

Lake Estates is a growing community under developer control, last year 18 new owners purchased in the community bringing the total number of owner occupied homes to 24. Lake Estates will continue to grow to 74 which will complete this superb community.

The developer controlled Board participates actively in the association and maintains extremely transparent communications with the owners. Lake Estates Coach Homes is managed by Alan Roberds with assistance from Laphanie Banks. The Board and management team focus on preventative maintenance, frequent owner communication, and transparency of association matters and decisions. These help keep Lake Estates an exceptional place to own a home.

 **Associa**[®]
Association Services, Inc.

19 Executive Park Road Suite 1
Hilton Head Island, SC 29928