

Beacon Hill Townhomes Condominium Newsletter

September - October 2010

Architectural Request Forms

There has been a lot of great work going on around the community, and Council would like to thank everyone for their efforts in maintaining their homes and keeping our property in great shape.

Council would, however, like to remind unit owners that all architectural changes to the interior of homes (such as removal of walls) and all external changes to unit-owner maintained elements (including, but not limited to, privacy fences, patios, decks, and balconies) require pre-approval from Council via the Architectural Request Form.

These forms are not required in order to overly limit or control what our unit owners are doing; instead, they enable Council and our management agent to ensure that projects are not undertaken that jeopardize the community, and to protect the common elements from unintentional damage.

In addition, advising Council ahead of any changes or repairs allows us to remind unit owners of any required design standards (reducing later costs and time for replacing unapproved work), advise on any required permits of which we are aware, and prevent our appearing on the scene, interrupting your work, and asking questions to verify the scope and to ensure work isn't being done to one of the common elements.

Copies of our newly-designed Architectural Request Form and our newly-designed Action Request Form are included inside this newsletter, and both a print-ready PDF and an electronic PDF form (which enables you to complete most fields on your computer before printing or emailing) are available online at our website under "Pages & Links."

Don't Forget!

Annual Membership Meeting

Tuesday, October 26, 2010
Brandywine Hundred Library
Room 209
6:30 PM

Electronic Payments Now Available!

Looking for a convenient way to pay your monthly assessment (and avoid the price of a stamp)? Running late with your payment and want to make sure it arrives by the 15th to avoid the \$20 late fee?

As part of our move to Aspen Property Management and SmartStreet banking, you may now make your payment electronically from either your checking account or your credit card.

Visit Aspen Property Management's website at aspenpropertymgmt.com and click the "Online Payments" link in the left hand column. Then select Beacon Hill Townhomes Condominium Association from the list of available communities.

Next, select your payment method, either eCHECK, if paying from your checking account, or Credit Card, if paying using a credit or debit card, and follow the instructions to process your payment.

Note that while there is no fee to make an eCHECK payment, there is a \$9.95 fee for each credit card payment. In addition, please note that payments must be completed by 4PM to count in that day's receivables.

Inside this issue:

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To submit a news story or idea for the next issue, email bhtcfeedback@gmail.com or contact Darin Reffitt at 302-529-9663.

2011 Budget / Unit Property Act & DUCOIA

2011 Budget Process

Council has begun working with Aspen Property Management on the proposed 2011 budget in anticipation of our annual October meeting. While the exact budget is not yet complete, we do unfortunately anticipate a slight increase to our monthly assessment in order to comply with the revised Unit Property Act.

Council understands that the economy is tight and regrets having to even consider an increase in the monthly assessment. We do want to stress that this increase is **not** being driven by a need for increased operating expenses. Council has successfully reduced our monthly operating expenses this year both for our monthly management fees and our ongoing landscaping (despite the unprecedented snowfall last winter).

Instead, this increase is being driven by the reserve requirements of the revised Unit Property Act, which went into effect on September 30, 2009. There are very clear rules included in that act that require Beacon Hill to build its reserves in order to comply with the revised laws, and to devote at least 5% of our annual income to our reserve account.

The goal at present is to keep the increase limited to a maximum of \$10 per unit per month, which will enable us to increase our reserve by \$8,640 per year, not including interest. The plan is to move the additional dollars into the reserve account on a monthly basis to maximize the interest earnings.

Following is a summary of the changes to the Unit Property Act and how they are impacting our budget process. Please feel free to contact Darin Reffitt for more information. We are devoting space in both this and the next newsletter to enable a better understanding of these requirements, as well as devoting time at our annual meeting for Q&A on the reserve account and our budgeting process.

As always, we thank you for your support as we work towards improving our community.



Unit Property Act and DUCOIA: How The New & Revised Laws Impact Our Reserve Needs

This is part one of a two-part article about Delaware state law and its impact on our reserve needs and thus our monthly assessment needs. The contents are based on in-depth discussions with our Attorney Dick Franta and are believed comprehensive and accurate.

Legal History

The laws governing Delaware condominiums date back to the passage of the Unit Property Act in 1963, and remained largely unchanged until 2009¹. The Unit Property Act laid the foundation for the creation, management and dissolution of a condominium association, defined the roles of Council, laid out the requirements for the declaration and the code of regulations, and provided for the allowance for assessments.

The Delaware Uniform Common Interest Ownership Act, aka DUCOIA, was enacted on July 1, 2008, and following several amendments became effective on September 30, 2009. While Beacon Hill remains governed predominantly by the Unit Property Act, several sections of DUCOIA modified the Act. Among the changes impacting Beacon Hill were new rules regarding the powers of the association and the powers of Council, new requirements for litigation, new requirements for resale packages, and new requirements for reserve accounts and reserve studies. (Note that this is a summary overview and is not intended as a comprehensive list of all changes impacting our association.)

Reserve Requirements

The key impact of DUCOIA related to our reserve accounts and monthly assessments involve the requirements for a reserve study and a fully-funded reserve account, as defined in subsection 2202 of the Unit Property Act.

In summary, the revised law requires a reserve study be completed that looks at each common element, estimates the life expectancy, and notes when the common element will need to be replaced; estimates the cost of replacement at the time of replacement; and, totals the running reserve needs for a minimum twenty year period.

¹ Trumper, Roger, Esq., *Understanding the Delaware Common Interest Ownership Act*, Copyright 2009.

Unit Property Act & DUCOIA (Continued)

Originally, our community had up to three years (depending on the reserve percentage already in place per subsection 2245) from the effective date of the law to get the reserve fully-funded, which is defined as having enough money in the reserve account, assuming annual budgeted growth projections, to enable all reserve-study expected repairs and replacements to occur for at least twenty years without ever falling below a positive balance.

An act signed by the Governor on July 12, 2010 amended the fully-funded reserve study requirements to allow additional time for communities to meet the reserve needs, stating that “shorter time limits have been a burden on many condominiums” and instead gives us five, six, or eight years (depending on our current reserve percentage) to fully-fund our reserve.

Beacon Hill will be completing its reserve study in accordance with the Unit Property Act in 2011, but in the meantime we know that near-term and mid-term needs for our paving and roofing alone will be several hundred thousand dollars, likely placing us in the category that has up to eight years to comply with the fully-funded requirements.

Finally, there are requirements that dictate a minimum level of our annual budget that must be allocated to our reserve regardless of our funding level, based upon the number of common elements paid by the community (as laid out in subsection 2244.) As Beacon Hill Council maintains two of those required items (roofs and exterior walls), we are required to devote at least 5% of our annual budget into our reserve annually, which has already been allocated for 2010.

Obviously, we as a community have several challenges to meet regarding our reserve study and our reserve account. In our next issue, we will highlight how the reserve study and reserve requirements are calculated, some of the anticipated effects on our community if we fail to increase our reserve funding (including the probable impact on our property values), and the steps Council will be taking in 2011 to begin to bridge the gaps in our reserves.

Excerpts from the Unit Property Act

Below are selected sections of the Unit Property Act as quoted above for your convenience. You may view the Unit Property Act in its entirety at: <http://delcode.delaware.gov/title25/c022/index.shtml>.

§ 2202. Definitions.

(8) “Fully funded,” or any variation thereof, with respect to the repair and replacement reserve, means a repair and replacement reserve which:

- a. When supplemented by a fixed, budgeted annual addition compliant with § 2244 of this title, contains that balance of funds which will meet fully, without supplementation by borrowed funds or special assessments, the cost of each projected repair and replacement noted in the reserve study no later than the date when each such repair or replacement is projected to be required by the reserve study as defined in paragraph (18) of this section, and
- b. With all budgeted contributions and expenditures for repairs and replacements projected out no less than 20 years, will never fall below a positive balance.

(16) “Repair and replacement reserve” means a reserve fund maintained by the council solely for the repair and replacement of common elements, and for no other purpose (including operating budget shortfalls or other expenditures appropriate to a contingency reserve).

(17) “Reserve study” means an analysis, performed or updated within the last 5 years by 1 or more independent engineering, architectural or construction contractors, or other qualified persons, of the remaining useful life and the estimated cost to replace each separate system and component of the common elements, the purpose of which analysis is to inform the council and the unit owners of the amount which should be maintained from year to year in a fully funded repair and replacement reserve to minimize the need for special assessments.

§ 2244. Repair and replacement reserve as a percentage of budget.

The minimum percentage of the annual budget of a condominium that must be assigned to the repair and replacement reserve will depend on how many of the following components and systems are to be maintained, repaired and replaced by the council:

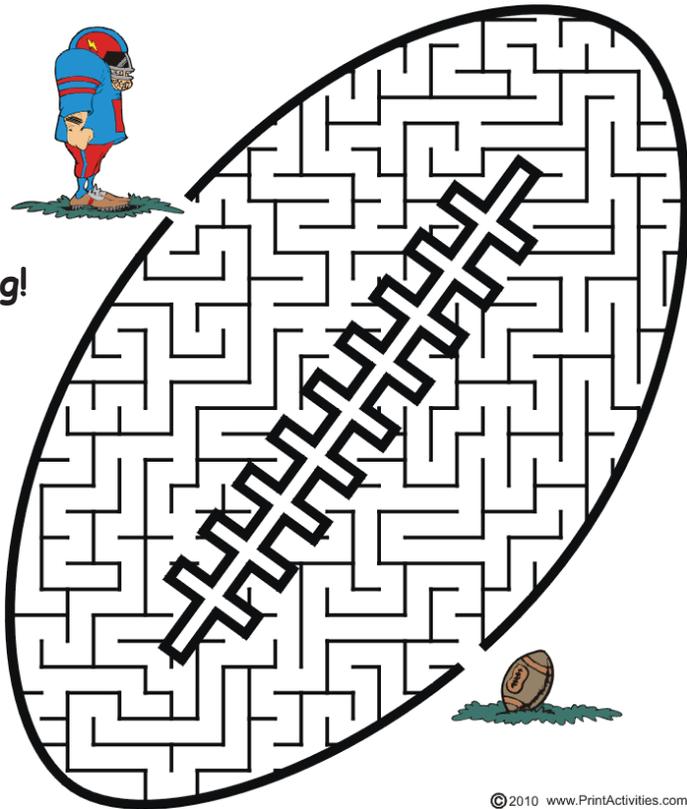
- (1) One or more hallways;
- (2) One or more stairwells;
- (3) One or more management or administrative offices;
- (4) One or more roofs;

(Continued on page 6)

Just for Kids!



A-Maze-ing!



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Connect the Dots!

Source: www.printactivities.com

Word Search - Fall Word Search

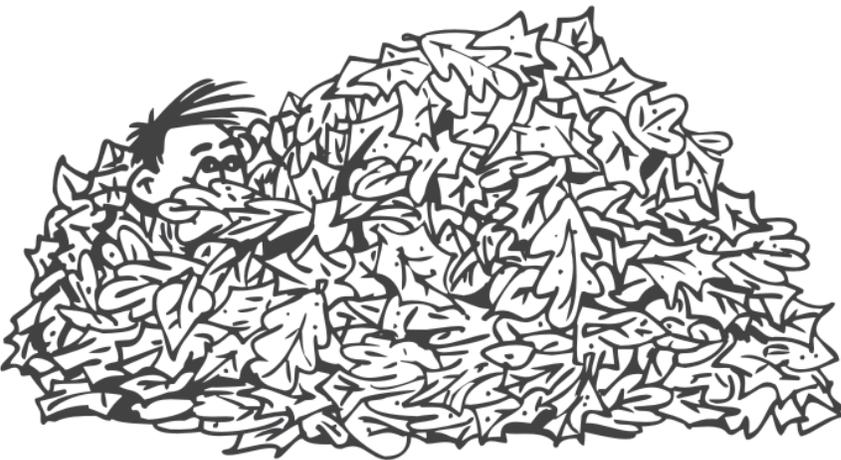
Find the fall words from the bottom in the fall word search grid. The words can be forwards or backwards, vertical, horizontal, or diagonal. Circle each letter separately, but keep in mind that letters may be used in more than one word. When the fall word search puzzle is complete, read the remaining letters left to right, top to bottom, to learn an interesting autumn fact.

Source: www.printactivities.com

Word List:

- | | |
|----------------|--------------|
| AFTER SUMMER | LEAVES |
| AUTUMN | NOVEMBER |
| BACK TO SCHOOL | OCTOBER |
| BEFORE WINTER | ORANGE |
| BROWN | PICTURESQUE |
| CHANGE | RAKING |
| COLORFUL | RED |
| COOL | SEASON |
| FALLING | THANKSGIVING |
| HALLOWEEN | YELLOW |

W	A	R	T	H	A	N	K	S	G	I	V	I	N	G
M	S	U	N	N	E	G	N	A	H	C	Y	D	N	A
Y	S	O	A	N	D	C	H	I	L	O	L	I	Y	R
B	A	C	K	T	O	S	C	H	O	O	L	B	U	E
R	T	T	N	G	N	I	K	A	R	L	O	E	T	T
E	E	O	F	R	L	E	E	Z	A	U	T	U	M	N
M	I	B	N	G	N	U	I	F	N	G	H	Q	T	I
M	S	E	M	Y	A	R	F	E	G	L	T	S	H	W
U	E	R	I	E	D	E	A	R	E	L	C	E	O	E
S	N	D	I	L	V	T	I	A	O	O	B	R	N	R
R	S	R	F	L	O	O	V	R	M	L	R	U	A	O
E	K	E	I	O	N	E	N	G	S	P	O	T	E	F
T	C	D	T	W	S	E	A	S	O	N	W	C	A	E
F	C	U	L	A	R	F	A	L	L	C	N	I	O	B
A	H	A	L	L	O	W	E	E	N	L	O	P	R	S



Color me!

Source: www.printactivities.com

Street Light Update / Unit Property Act

Lighting Update

As you may have noticed, some of the lighting on Center Court and East Court stopped working earlier this summer. Lighting on West Court ceased cycling on and off shortly thereafter.

For those who may not be aware, Council was informed in the spring that our current lighting is not up to code, and financially we had noted that the lighting was causing significant expense, in large part from repeatedly replacing bulbs and/or repairing the same fixtures.

Therefore, rather than devote more dollars into a failing system, we chose to explore our options for replacing the system with lighting that would meet or exceed the requirements of the applicable electrical code(s).

Aspen Property Management has spent the past month researching various options for our lighting, ranging from modifications to our current system to replacing our existing system to abandoning building-attached lighting altogether and installing street lamps like you see in our neighboring community. Other options were reviewed that could possibly save us money, including solar lighting, LED lighting, and other options that are unfortunately well outside our available budget.

Council is attempting to resolve the lighting issue as quickly as possible while ensuring that the resulting system will be the most affordable option available with the lowest expected long-term costs. We have made Aspen aware that our lighting repairs are a top priority for September.

In the meantime, we regrettably had several cars burglarized in late August in some areas with less than ideal lighting. While we are getting our lighting system replaced, we strongly encourage residents in darkened areas to leave their front porch lights on at night to provide ample lighting to discourage this sort of incident. In addition, we remind all residents to lock their cars to avoid additional incidents.

Finally, if you see any suspicious activity or suspect that a vehicle is being burglarized, please call 911 immediately.

Excerpts from the Unit Property Act

(Continued from page 3)

- (5) One or more windows;
- (6) One or more exterior walls;

- (7) One or more elevators;
- (8) One or more HVAC systems;
- (9) One or more swimming pools;
- (10) One or more exercise facilities;
- (11) One or more clubhouses;
- (12) One or more parking garages (but not including surface parking lots);
- (13) One or more masonry bridges used by motor vehicles;
- (14) One or more bulkheads; and
- (15) One or more docks.

In the event that the council is responsible for the maintenance, repair and replacement of 4 or more of the above-described systems or components, the minimum percentage of the condominium's annual budget that must be assigned to the repair and replacement reserve is 15%; if the responsibility extends to only 3 of the above-described systems and components, the minimum percentage is 10%; and if the responsibility extends to only 2 or fewer of the above-described systems and components, the minimum percentage is 5%. *<Section regarding reserve accounts that exceed the needed amounts and communities that do not have a reserve account in place removed for space, as they do not apply to BHTC.>*

§ 2245. Compliance phase-in.

Anything in this title to the contrary notwithstanding, if the amount held by a condominium in its repair and replacement reserve as of October 1, 2009, in lieu thereof,

- (1) Constitutes less than 25% of the level of funding required for a fully funded reserve as defined in § 2202(8) of this title, then the council shall have 8 years to make the repair and replacement reserve fully funded (as defined in § 2202(8) of this title);
- (2) Constitutes 25% or more, but less than 50%, of the level defined as fully funded, then the council shall have 6 years to make the repair and replacement reserve fully funded (as defined in § 2202(8) of this title); or
- (3) Constitutes 50% or more, but less than 70%, of the level defined as fully funded, then the council shall have 5 years to make the repair and replacement reserve fully funded (as defined in § 2202(8) of this title).

Community Information and Notices

Council Contacts

President

Darin Reffitt - 103 Center Court
302-529-9663 | dmreffitt@gmail.com

Vice President

Sue Gorman - 123 Center Court
302-475-8102 | sgorman.bhtc@gmail.com

Treasurer

Terri Lacoﬀ - 8 West Court
302-529-5870 | tlacoﬀ@yahoo.com

Secretary

Virginia Mas - 16 West Court
302-375-6264 | vmas.bhtc@gmail.com

Member-at-Large

Steve Long - 228 East Court
302-562-2827 | stephenlong@comcast.net

Property Manager:

Aspen Property Management
Allison Fenwick
410-620-2598
info@aspenpropertymgmt.com
www.aspenpropertymgmt.com

Trash Collection Issues

In recent months, trucks have been spotted pulling into our community on Friday mornings to unload bags of trash for collection as part of Beacon Hill's regular trash pickup.

Please note that regular trash pickup is limited to normal house waste and that larger pickups (for instance, pickup of larger pieces or renovation debris) must be arranged with Palmatary Sanitation prior to Friday morning.

To quote from our Rules and Regulations: "If an unusual amount of trash (boxes, debris, etc.) will be set out, please notify the sanitation service prior to collection. Refrigerators and freezers cannot be collected."

In addition, if you spot vehicles dumping trash in our neighborhood on Friday mornings for pickup by our trash provider, please note the license plate number and report it to Aspen Property Management immediately.

Reporting the issue will enable us to prevent future occurrences and to keep our sanitation costs under control.

Thanks in advance for your assistance in this matter.

Scheduled Meeting Dates

Council meetings are generally held at 6:30 p.m. on the 4th Tuesday of the month. Agendas, including discussion items and location, will be distributed/mailed no less than 14 days prior to the meeting date each month. Scheduled meeting dates appear with the monthly events on page 8.

Unit owners are encouraged to attend our Council meetings. You are also welcome to submit agenda items to the Council for consideration.

If you would like to opt-in to receive your agendas/meeting announcements via email instead of receiving a paper version, please email your request (from the email account you would like used as your contact point) to Virginia Mas at **vmas.bhtc@gmail.com**.

Yard Waste

As a reminder, yard waste must be disposed of properly. Weeds from your flower beds are not considered yard waste and can be put out with your regular trash.

Palmatary Sanitation will be doing special pickups of yard waste on the following days:

Friday, September 10 Friday, December 10

Friday, October 08 Friday, January 14*

Friday, November 12

*Christmas tree pickup, plus any other yard waste.

Welcome to the Neighborhood!

Council would like to send a warm welcome to the following new Unit Owners:

Justin & Lauren Edelson, 101 Center Court
Elaine Sherman, 119 Center Court

Welcome to Beacon Hill!



Bimonthly Calendar

September 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6 	7	8	9 	10	11 
12	13	14	15	16	17	18
19	20	21	22	23 	24	25
26	27	28 BHTC	29	30		

September Events:

September 6 - Labor Day

September 9 - Rosh Hashanah (begins at sundown on September 8)

September 11 - Patriot Day

September 23 - First Day of Autumn

September 28 - Council Meeting*

September Flower: Forget-Me-Not

September Birthstone: Sapphire

October 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11 	12	13	14	15	16
17	18	19	20	21	22	23
24  31	25	26 BHTC	27	28	29	30

October Events:

October 11 - Columbus Day Observed

October 31 - Halloween

October 26 - Annual Unit Owner Meeting

October Flower: Calendula

October Birthstone: Opal

* Council meeting dates are tentative and subject to change. See distributed agendas for actual dates/times.

Visit us on the web!

http://www.neighborhoodlink.com/Beacon_Hill_Condo/home



BHTC Action Request Form

Purpose: This form provides a process for unit owners to request Council action for both Council-maintained elements of individual units and for common elements in need of maintenance, repair, or replacement.

Unit Number: _____

Court: East Center West

Work Type: Repair/Replacement Maintenance Landscaping Other

Issue Description:

Please fax or email your request to Aspen Property Management.
Fax #: 443.303.8890 Email: info@aspenpropertymgmt.com

Submitted By (please print): _____ **Date:** _____

Signature: _____

Phone Number: (_____) _____ - _____

Information below this line to be completed only by Council or Aspen Property Management

Received by Aspen Property Management on: _____ (Date)

Action Taken:

Aspen Property Management/Council Signature: _____



BHTC Architectural Change Form

Purpose: This form provides a format for the written submission by unit owners to the Beacon Hill Townhomes Condominium Council to effect a change to the interior architecture or the exterior elements of their condominium unit. **ALL CHANGES MUST BE APPROVED IN WRITING PRIOR TO WORK STARTING. UNIT OWNERS ARE RESPONSIBLE FOR OBTAINING ALL REQUIRED PERMITS.**

Unit Number: _____

Court: East Center West

Work Type: Interior

Exterior

Work Description:

Please use the back of this form to provide a rough sketch of the proposed change.

Submitted By (please print): _____ **Date:** _____

Signature: _____

Phone Number: (_____) _____ - _____

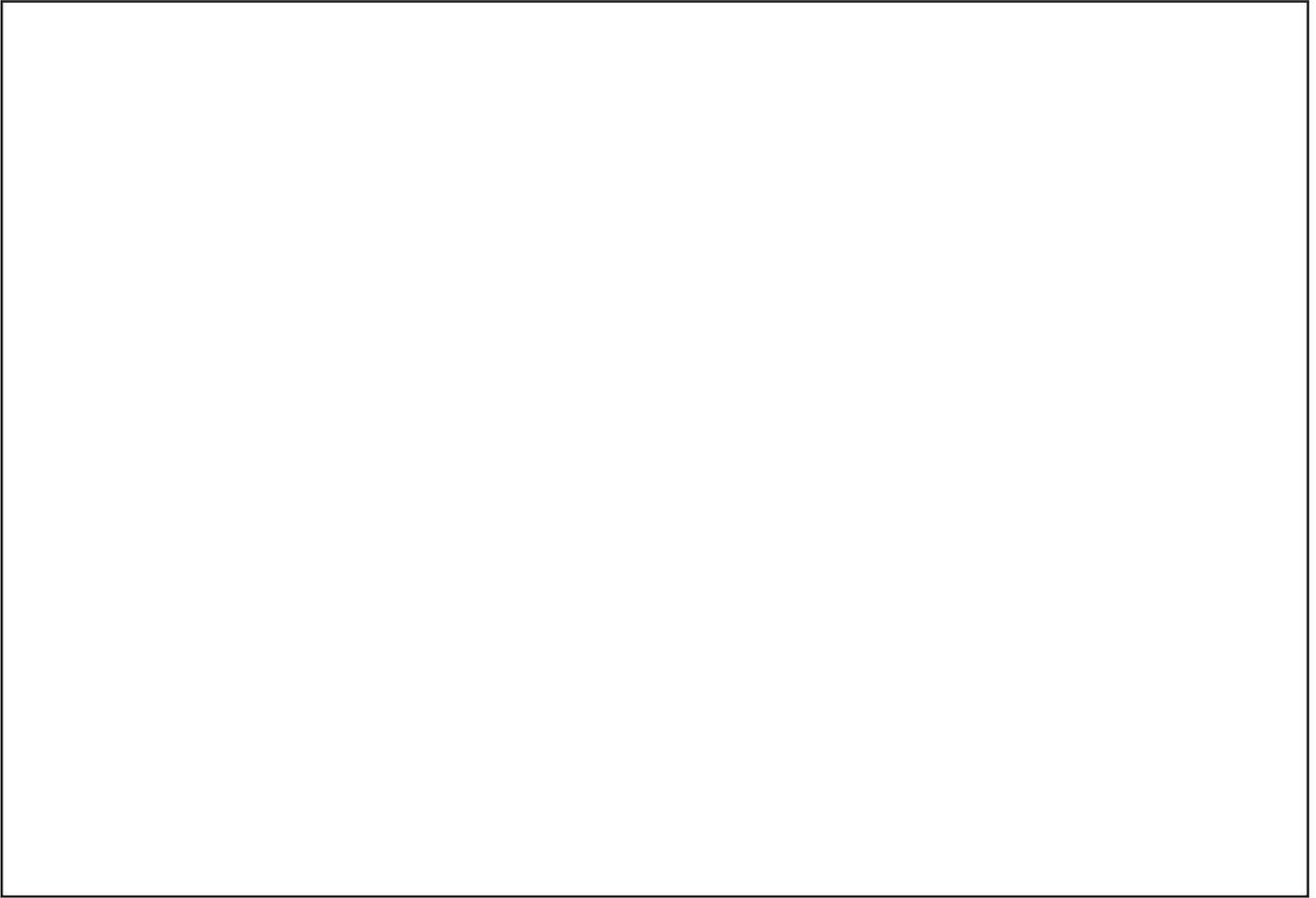
Information below this line to be completed only by Council or Aspen Property Management

Received by Aspen Property Management on: _____ (Date)

Plan Approved Not Approved **by BHTC Council on:** _____ (Date)

Aspen Property Management/Council Signature: _____

Rough Sketch



Please provide a rough sketch with dimensions to aid Council in the review of your plans. Please mail, fax, or email your request to:

Aspen Property Management
PO Box 858
Elkton, MD 21922
Fax: 443.303.8890
E-mail: info@aspenpropertymgmt.com

Thank you!