

Woods of Wimbledon Civic Association, Inc
PO Box 15109
Spring, TX 77391-1509

November 1, 2016

Dear Neighbors,

On behalf of the entire board of directors, I'd like to invite you to our neighborhood's annual meeting; scheduled for Tuesday, November 15, 2016. Please see the enclosed agenda with the meeting time, place and topics.

Your participation is important. If you are not able to attend the meeting, we ask that you please complete, sign, and return the enclosed proxy and ballot by November 14th. Additional instructions are contained on the proxy & ballot. Thank you.

This letter, ballot, meeting agenda, budget, complete by-laws with amendments, and some other supplemental information will be posted on our website. If you do not have access to a computer or are unable to access this supplemental information, you may contact either me or our secretary for assistance.

I'd like to highlight a few of the items that are on the meeting agenda and in the enclosed materials:

1. The ballot is divided into three sections. Section one is the election of the 2017 officers and directors as well as spaces for write-in candidates. The names listed on the ballot have all been vetted as owners of record. Any floor nominations and write-in candidate votes will only be accepted if the individual is an "owner of record". We will have our data base of owner names with us at the meeting. The candidates with the most votes will be elected.

Section two is the approval of the 2017 operating and capital budget expenditures and 2017 annual assessment. Please see the discussion below (# 2).

Section three begins on page three of the ballot (By-laws Amendments) and is divided into two parts. The first part contains a number of amendments to the bylaws that result from recent Texas State legislative changes. They are effective whether you approve the update or not. The board feels it is important to keep our documents up to date. There is just one vote for these changes and it is found near the top of page five of the ballot.

The second part of Section three begins in the middle of page 5 and contains nine (9) corrections and five (5) updates to the bylaws. The nine corrections fix inconsistencies in language with other sections of the current by-laws. The five updates are items that the board feels will allow it to better administer and manage our community's business matters as a self-managed HOA

(meaning without a management company). Each of these changes will be voted on and for any change not approved, the existing by-laws language will be retained.

Be sure to sign your ballot on page 9. Unsigned ballots and ballots not signed by the “record owner” will be disregarded.

2. The board has approved the enclosed 2017 operating and capital budget. The budget report also includes our 2016 actual/estimated results as compared to the 2016 and 2017 budgets.

Fiscal Year 2016:

As of October 25th, our treasurer projects that we will be close to breakeven for the year vs. an estimated deficit in the 2016 budget. The major variances in our projections involve maintenance fees, transfer fees, legal expenses, and the replacement of shrubs; as described below.

We have four owners who have not paid their 2016 dues assessment (total of \$2,000) and they are in collection per our billing policy. Due to an increase in the number of home sales, we estimate that our transfer fee revenue will be \$1,600 more than the budget. Our legal costs are estimated at \$2,000 more than the budget, mostly due to collection related costs and costs related to a non-owner that was elected to the board. When the error was discovered, the individual refused to resign from the board and some unexpected legal costs were incurred to address the matter. Lastly, the board deferred the replacement of the dead shrubs and trees saving \$1,500.

Fiscal Year 2017:

For 2017, the board has approved a maintenance assessment of \$ 575 per property to pay for the anticipated operating costs.

The consensus of the current board is that we should not present you a budget that shows deficit spending. At the same time, we need to maintain some amount of cash in our operating account so we can timely pay the association bills. Maintaining a cash reserve has become more important since the advent of payment plans which spread the receipt of dues throughout the year.

An analysis of the annual reviews prepared by our outside CPA firm for the years 2012 through 2015 shows that our expenditures exceeded revenue by \$9,359 in 2012 and \$12,941 in 2013 and in 2014 & 2015, we had surpluses of \$3,682 & \$4,750. The net deficit for the four years is \$13,868. Our emergency fund reserve of \$10,000 was used for the deficit and the account was closed in 2014.

We currently project a cash balance of about \$10,000 in our operating account at December 31 and the board feels that this is the appropriate amount of cash to have on hand for an operating reserve.

In determining the 2017 dues amount, we also estimated that there will be some non-paid accounts that will most likely go to collection and result in legal costs. The rest of the operating

budget considers the normal cost increases that we expect to experience and some increases to comply with state regulations as we implement and comply with those laws. The enclosed budget includes our treasurer's comments for each line item in the budget.

There is also one large unknown at the time of the budget preparation and annual meeting. In October, we received notification from our trash service that they are discontinuing "garage door" service for household refuse as of January 1, 2017. This means that if we continued with Republic Services as the collector of our trash, all of it (yard and household) will be placed at the curb beginning in 2017.

At our October board meeting, the board consensus is to find another service provider that can continue the current level of service. The board believes that "garage door" service is very important and helps maintain the overall "neatness" of the community.

At the present time, we only have some preliminary numbers. However, based upon those amounts, we feel that our proposed budget is adequate to maintain our "garage door" service with a new service provider. As soon as we have a final decision, it will be communicated.

The board has also approved expenditures from our capital reserve fund in the amount of \$45,000. \$20,000 is budgeted to repair five sections of our walls that are leaning. Two of the sections are on the western portion of the Mittlestadt walls and three sections are on the western portion of the Strack walls. These repairs are past due and result from a gradual shifting of the wall foundation in these sections.

Additional evaluation work will also take place in 2017 on other areas of the wall; in particular the interior of the walls and in the areas where some property owners have again put drainage pipes through the wall. (The board had these punctures filled and closed a number of years ago when the last repairs were performed. However, some property owners created new openings.) When all of the repair work is completed, the exterior of the walls will be pressure washed and the mold will be removed. At the appropriate time, the board will be communicating the cost of the next phase of these repairs before any work begins.

The remaining \$25,000 is budgeted to re-landscape our two entrances (Mittlestadt and Strack roads). Much of our landscaping is original to the community and over the past few years, a number of trees and shrubs have died and have not been replaced. At our 2015 annual meeting, I solicited volunteers to form an entrance planting committee. Although the final details of the plan are under review and discussion, the goal is to extend the culverts at Strack road approximately 20 feet on each side of the entrance and fill in the ditch. This will provide a flat surface for some nice plantings as well as better support the wall structure. The cost for the culvert extension and permits is a minimal part of the total estimate.

A good first impression is important to not only your individual residences, but also to our community. In speaking with many of the new owners over the past few years, almost all feel that our entrance plantings needed some updating. The board agrees and we hope you do as well.

As both of these projects progress, be sure to monitor your neighborhood news emails for updates.

General Neighborhood Comments:

The following comments are intended to be an overview about the management and operation of our neighborhood.

1. The Woods of Wimbledon has maintained a neighborhood website for a number of years. The website address is wowca.org. During this year, we've made a number of changes to it and there are some more changes coming in 2017. I plan to send neighborhood news emails as those changes are implemented.

If you haven't already done so, we recommend that you visit the website and sign up to receive email notifications. We communicate by email whenever legally possible in order to save postage costs.

2. The Board of Directors generally meets every month. The meeting date, time and place are posted on the web site and emailed (if you've signed up for email notification) prior to the meeting. Except for when the board is in executive session, our meetings are open to all owners (of record) of property in the Woods of Wimbledon.

3. Subject to my earlier comments, our trash is currently handled by Republic Services and is picked up on Monday and Thursday with the exception of the following holidays: New Year's, Memorial Day, July 4th, Labor Day, Thanksgiving & Christmas. In order to keep our neighborhood as attractive as possible, **we ask that you do not put your yard trash out until 6 PM on the night before a pickup day.** Yard trash should be placed on your driveway near, but not in the street. We have garage door pickup for the household trash.

The board recognizes that we have some older residents who may not be able to move their yard trash to the curb. You may want to consider using a yard service that takes away the clippings each week. Nonetheless, your neighbors appreciate it when you make every effort to do your part in keeping our neighborhood neat and tidy.

4. Compliance with our deed restrictions is an important part of your obligation when you purchase a home in the Houston area. The deed restrictions of each neighborhood were established by the original developers and contain the building and maintenance standards.

Sadly, many people think that our deed restrictions are a cafeteria plan; and believe that they can pick which provisions they're going to follow and ignore the ones they don't agree with. That attitude has frustrated every board that has served our community. Compared to other communities, our deed restrictions are not onerous and are easy to follow.

You should have received a copy of the Woods of Wimbledon deed restrictions at closing. If you did not, there is a tab on our website and a copy is included there for your convenience along with some specific policies that have been adopted.

Except for certain general landscaping changes and those addressed by the posted policies, all modifications to the exterior of your home and property must be approved the Architectural

Control Committee (ACC). Examples include changes to the windows, sidewalks, driveways, siding, changes in the exterior colors on your home, and removal of healthy trees. If you begin modifications that are not approved, the association has the legal authority to require you to stop and/or change your modifications. This is a very costly and unfortunate consequence for you the homeowner and your neighbors.

Some of the common deed restriction complaints the board receives each year include:

- Total fence height exceeds the six foot maximum. If/when you make repairs or rebuild your fences, please ensure that you or your contractor installs your new fence no higher than six feet. Your contractor, most likely, is not familiar with our deed restrictions and it is your obligation as the property owner to instruct them. If your fence exceeds six feet and the board or ACC is notified, you will be asked to reduce the height. It is much better for everyone when you do this during construction, rather than having to go back after it's completed and correct it.
- Loose pets & barking dogs
- Green pools
- Yard trash at the curb too early
- Cutting down trees that are healthy
- Yards and flowerbeds that are not being maintained
- Pine needles on driveways & roofs
- Mold on brick, siding, garage door, etc.

5. Making a complaint, inquiry or Architectural Control Committee request: Go to our website; the Contact Us tab, and select the proper form that applies to your question or concern. Each form is routed to the appropriate people, so it is important to make the proper selection.

Recently, there have been several instances of vigilante activity among neighbors regarding a perceived deed restriction violation. In one situation, someone represented that they were a board member; when in fact, they are not. And if they were, I'd ask for a motion to remove them from the board!

It is the president's responsibility to investigate all complaints and the board decides as a group what action is to be taken in accordance with our policies and procedures. My practice has been to acknowledge each complaint or inquiry within 24 hours and where appropriate, to communicate with the originator of the complaint after the item has been addressed. (The ACC has the same practice.) In the president's absence, the association's vice president will contact you. Lastly, all actionable complaints are handled with a written, certified letter. So, if someone contacts you and says that you are in "violation", I ask that you remain polite, obtain their name and personally contact me.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Michael B. George, President