

Crosswinds Home Owners Association

Saturday, September 15, 2012

Greetings Fellow Crosswinds Residents:

Our annual meeting this year is Saturday, October 13, 2012 at 9:00 A.M. at **United Advent Christian Church, 4912 South College Road, just north of Lowes Home Improvement Store.**

***** NOTE: This is a new location this year. *****

Crosswinds just finished defending itself this past spring against a legal action that began in 2010 by a vocal minority in neighboring Wedgefield, claiming that we were not maintaining our ditch to their standards, which were higher than applicable County standards. This time around in court, Crosswinds was able to present its case to show that it was not in contempt of the presiding judge's Consent Decree. This extended legal battle depleted our HOA funds.

The Board of Directors for Wedgefield was almost completely replaced following the end of expensive court proceedings. We have a good working relationship with the current Wedgefield HOA Board. As a condition of the settlement, a joint drainage committee was formed to address drainage issues of our common ditch and piping. The settlement further *requires* that \$10,000 be maintained in a joint account above the money budgeted and deposited for ongoing maintenance in this ditch. Crosswinds is responsible for 65% of the funds in this account and Wedgefield is responsible for 35%. This committee has met several times and conducted its first walking assessment of the entire ditch from "pond to pond". A prioritized list of items needing to be done was completed and money is being set aside by BOTH Associations to handle these items.

In the past several years, the focus on drainage has been to handle immediate needs while defending our Association in legal matters. Previously set aside reserves for drainage and legal matters were completely emptied by legal expenses. Crosswinds still has three additional ditches to tend to, looming inspections, and upcoming work on the ponds.

As has been reported to you in the past, we have been monitoring the condition of the 36" pipe running from the ditch behind Northeaster through the berm behind Out Island. In the opinion of the Joint Committee, we will need to replace this pipe in the next three to five years. The North Carolina DOT has just finished replacing the section of the pipe that runs directly under Downrigger Drive due to pipe failure in that section.

A working estimate to replace the balance of the pipe is \$100,000 upwards to \$150,000. Through the Joint Drainage Committee, our share of this work will be 65% of the costs with Wedgefield paying the balance. A more accurate cost can be obtained as we get closer to doing the work. Obtaining contractor estimates is difficult since our proposed project is unfunded and so far into the future. Even with recent camera scoping of the pipe and inspection by professionals, it is hard to determine exactly how much longer the 36" pipe can last without having a failure. Portions of the pipe are not in good condition, and failure of the Downrigger section does not bode well for the remainder of the pipe. A significant risk is a pipe failure without having the funds to make the repair. An emergency repair would

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be both costlier and less desirable than a planned full-pipe replacement. Securing a contractor on short notice would likely be problematic, and sections of the neighborhood would likely flood until the pipe failure could be financed by emergency HOA assessment and corrected by construction – a process that could take weeks.

We now own our ponds and the DENR permit for them. In the near future we will be performing increased maintenance on the ponds themselves and other periodic projects required by government regulations and our permit. Our ponds are old enough that periodic testing of and maintenance of pond conditions such as depth and sedimentation will have to be performed on an ongoing basis.

We are also beginning to set money aside to make repairs to the submerged equalizing pipe running between the north and south ponds to allow the south pond to drain down faster after a rain event. Bank excavation and stabilization (likely requiring a coffer dam) is needed to keep the pipe functioning clear of obstructions.

Money also has to be set aside to handle unbudgeted items such as the cleanup resulting from a hurricane, other natural disaster, or pipe failures elsewhere in the neighborhood.

While these things are shaping up, we as an Association still have obligations to protect the appearance of our Association and its property values. We must maintain the common areas, insurance coverage, utilities, monthly pond maintenance required by our permit, management and accounting. None of these things come cheap. Your Board is acutely aware of the hardship our current economy is having upon our residents, and is constantly monitoring expenses for ways to limit our expenditures.

Our identified needs will require sizable expenditures and a resulting increase in our annual dues assessment. Your Board therefore recommends a budget that will increase dues to \$380 per lot which can be split into semiannual payments of \$190. This will allow us to meet expected obligations and begin to rebuild our reserves for anticipated maintenance and projects. Last year's dues and assessment totaled \$254. Our dues have historically been below comparable associations and will continue to be so. *With these changes we should be able to begin to set money aside for upcoming expenses gradually as opposed to having to assess for sudden needs, which are also more costly when incurred on a crisis basis.*

We are also looking for a Board Secretary primarily to take minutes of Board meetings. If anyone is interested, please let a member of your Board know.

Lastly, begin making plans for the Community Yard Sale, Saturday, October 20, 2010. We will advertise the sale in the Star News.

I look forward to seeing each of you at the Annual Meeting!



REMINDER: *Only members in good standing are allowed to vote, and owners that have past due balances are not members in good standing.*

NOTICE OF ANNUAL MEETING

CROSSWINDS HOMEOWNER'S ASSOCIATION, INC.

P. O. BOX 12633 WILMINGTON, NC 28405-0130

910-762-3262 office

hoams1@ec.rr.com

910-762-3252 fax

TO: THE MEMBERS OF CROSSWINDS HOMEOWNER'S ASSOCIATION

The Annual Meeting of Members of Crosswinds Homeowner's Association, Inc. will be held on *Saturday, October 13, 2012 at 9:00 AM. It will be at the United Advent Christian (in the Fellowship Hall) located at 4912 S. College Road in Wilmington, North Carolina 28409.* The order of business will be as follows:

1. Call to order
2. Roll Call and Certification of Proxies
3. Proof of Notice of Meeting or Waiver of Notice
4. Reading of Minutes of preceding meeting
5. Report of Officers
6. Committee Reports
7. Approval of Association 2013 Budget
 - Vote on an increase in the annual assessment to \$380.00.
8. Unfinished Business
9. New Business
10. Adjournment

To ensure your representation at the meeting and to establish a quorum to do business, PLEASE SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY FORM in the envelope provided. **PLEASE BE SURE TO RETURN YOUR PROXY *EVEN IF YOU PLAN TO ATTEND THE MEETING.*** ***The return of your proxy does not affect your right to revoke the proxy, or to vote in person if you attend the meeting.*** Please be sure to write the name of the individual (*in the space provided*) who will be ATTENDING the meeting as your proxy or it may be left blank and the Board of Directors of the Association will vote it for you.

If one or more lots are owned by two or more individuals (*man and wife use upper portion of the enclosed proxy*), a partnership or corporation, **ONE** person must be designated as the Voting Representative for the owners. A "Designation of Voting Representative" form is to be used for this purpose only. Members with an outstanding balance and not on a current payment plan are considered members not in good standing and cannot vote at the meeting.

If there are any questions regarding the meeting or the required forms, you may call our office at the above number. **You may fax your proxy to 910-762-3252.**

Sincerely

Richard Collins, AMS, CMCA, PCAM
Community Manager
For: CROSSWINDS HOA, INC.

NOTICE OF ANNUAL MEETING

CROSSWINDS HOA 2013 PROPOSED BUDGET

ACCOUNT NAME	2013	
INCOME		
Regular Assessments @ \$380.00	95000.00	2 Semi-Annual payments of \$190.00 each
Interest earnings	0.00	
Masonboro Village Contribution	915.00	
Late Fees	300.00	
TOTAL INCOME	96215.00	
EXPENSE		
Accounting Expense	250.00	
Bank Supplies & Service Charges	65.00	
Electricity	2375.00	
Insurance	2640.00	
Legal & Professional Fees	8000.00	
Maintenance - General	350.00	
Maintenance - Drainage	3380.00	
O&M 2012 ditch cleanup \$1170.00		
O&M 2012 ditch extra \$1040.00		
O&M 2013 ditch cleanup \$1170.00		
Maintenance - Sole Drainage	3200.00	
Maintenance - Irrigation	125.00	
Maintenance - Landscape	11000.00	
Maintenance - Landscape Other	700.00	
Maintenance - Landscape Supplies	800.00	
Maintenance - Retention Ponds	3350.00	
Management Fees	6300.00	
Misc Untitled Expense	95.00	
Office Supplies	375.00	
Postage Expense	300.00	
Annual Meeting	600.00	
Newsletter	150.00	
Website	300.00	
Federal Income Tax	40.00	
State Income Tax	35.00	
Allowance for Bad Debts	3500.00	
Reserve Savings - Outisland Pipe	22100.00	
Reserve Savings - Pond Rehab 7yr	12000.00	
Reserve Savings - CWDr 15" pipe 3 yr	8000.00	
Reserve Savings	6185.00	
TOTAL - ALL EXPENSE FOR YEAR	96215.00	

PROPOSED REGULAR ASSESSMENT = \$380.00 = \$190.00 SEMI-ANNUALLY

