

Crosswinds Home Owners Association

Thursday, September 08, 2011

Hello Fellow Crosswinds Residents:

Our annual meeting this year is Saturday, October 8, 2011 at 9:00 A.M. in the Myrtle Grove Middle School Cafeteria.

Crosswinds is currently defending itself against a legal claim by neighboring Wedgefield that we are not maintaining our ditches to their standards which are higher than applicable county standards. This has been an ongoing preoccupation of the Board that we thought would have been dispensed by now. I ask each of you to do your part in assisting with this action. Until this action is past us I *must ask each of you to not discuss any issue relating to Crosswinds with anyone representing Wedgefield.* Should someone ask you anything about Crosswinds please don't answer anything, refer them to me, any officer of the Board or to Richard Collins and we will be glad to handle the query for you.

We have had elevated legal expenses this year and I expect this to continue until this matter or ongoing litigation by Wedgefield is laid to rest. Presently one or more of our residents continue talking to the folks in Wedgefield and **passing along information that is factually wrong or was taken out of context which made things worse and increased our legal fees at the same time.**

We now own our ponds and the DENR permit for them. In the near future we will be performing increased maintenance on the ponds and other maintenance items required by government regulations. We still have ongoing legal expenses to cover as well. This will require a sizable expenditure to perform. Your Board therefore recommends a budget that will increase dues to \$190.00 per lot. This will allow us to meet expected obligations and begin to rebuild our reserves for this maintenance and not having to draw from reserves just to meet operational expenses. *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.*

We will be asking you to approve a special assessment of up to but not to exceed \$60.00 per household. Understand that we are only asking preauthorization for an assessment now to be levied **ONLY IF NEEDED** to eliminate holding a special meeting. This assessment may be required to provide sufficient funds in the event we incur unexpected expenses for legal fees or drainage work. We will strive to not invoke the assessment but feel its approval important.

We have an opening in the Board this year and would like to open nominations for potential Board members. Please be sure your nominee is willing to serve prior to putting their name forward. We are also looking for a Board Secretary if anyone is interested.

Lastly, begin making plans for the Community Yard Sale, Saturday, October 15, 2010. We will advertise the sale in the Star News. See you at the Annual Meeting.



Over the last several years Crosswinds HOA maintained a steady budget growth as allowed by our By-Laws. This has allowed for the maintenance work needing to be done at the time and a small amount to be set aside for emergent and future work. After the State's law suit against the Developer was settled these funds allowed us to begin needed work, such as the pipe interconnector under Crosswinds Drive and the work done to bring most of the remaining roads in Crosswinds into the State maintenance system.

The last few years have been tied up with legal actions initiated by a neighboring HOA that believed we were not performing work to their standards. Our funds have been diverted to dealing with these allegations. Our greatest ongoing burdens have been drainage and legal defense expenses and we have had to add special assessments to regular dues to cover these.

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 maintenance items mandated by government regulations. This will require a sizable expenditure to perform. Your Board therefore recommends a budget that will increase dues to \$190.00 per lot. This will allow us to meet expected obligations and begin to rebuild the funds for this maintenance. With these changes we should be able to begin to set money aside for upcoming expenses gradually as opposed to having to suddenly assess for any sudden need all at once which could reach as high as a \$200 to \$400 dollar special assessment.

There are still issues in play that we cannot accurately estimate the cost of and therefore are requesting the preauthorization of up to a \$60.00 per lot special assessment that will only be invoked if we incur a legal or drainage expense that existing budget cannot handle.

We are in hard times and your Board understands that. I unfortunately feel that times will become harder still before they get better. That does not give us a pass to ignore needs and obligations that occur in the here and now, and cannot wait for things to get better. We would like to offer the option for you to split this regular assessment into two payments, \$95.00 due on January 1st and the remaining balance due on March 1st, late fees will begin applying to balances owed as of March 15th.

It is therefore the recommendation of your Board that you vote to accept the \$190.00 dues to meet our increasing obligations. Your HOA Board further recommends the preauthorization of up to a \$60.00 contingency assessment. Authorization of the special assessment will not automatically trigger the assessment. Your Board has thought long and hard to put together a 2012 budget that meets our needs. The preauthorization saves the need and cost for a special meeting to be called and allows for prompt action should it become necessary.

Crosswinds Home Owner's Association, Inc.

P.O. Box 12633 Wilmington, N.C. 28405

CROSSWINDS HOA PROPOSED 2012 BUDGET

ACCOUNT NAME	2012 Proposed
INCOME	
Regular Assessments @ \$190.00 ea	47310.00
Interest Earnings	100.00
Late Fees	1000.00
TOTAL INCOME	48410.00
EXPENSE	
Accounting Expense	250.00
Bank Supplies & Service Charges	55.00
Electricity	2375.00
Insurance	1725.00
Legal & Professional Fees	12000.00
Maintenance - General	450.00
Maintenance - Drainage	3000.00
Maintenance - Irrigation	1000.00
Maintenance - Landscape	10900.00
Maintenance - Landscape Other	1500.00
Maintenance - Landscape Supplies	1000.00
Maintenance - Retention Ponds	3200.00
Management Fees	3675.00
Misc Untitled Expense	75.00
Office Supplies	375.00
Postage Expense	300.00
Annual Meeting	500.00
Newsletter	150.00
Website	300.00
Federal Income Tax	50.00
State Income Tax	35.00
Allowence for Bad Debts	0.00
Reserve Savings	5495.00
SUB-TOTAL REGULAR EXPENSE	48410.00

SPECIAL PROJECTS - FROM RESERVES

Misc Including Drainage Maint Proj.	10000
Road Repairs for transfer to DOT	8550
TOTAL - ALL EXPENSE FOR YEAR	66960.00

PROXY

CROSSWINDS HOMEOWNER'S ASSOCIATION, INC.

P. O. BOX 12633 WILMINGTON, N. C. 28405-0130

910-762-3262 office

Email: hoams1@ec.rr.com

910-762-3252 fax

This is to certify that _____ or in his/her absence, the Board of Directors of Crosswinds Homeowner's Association, Inc. has my proxy vote and all rights thereto at the Annual Meeting on Saturday, October 8, 2011. It is understood that if I am in attendance at said meeting, this proxy shall be considered null and void unless I direct otherwise. The address of my lot is: _____

Lot Owner: _____ Signature _____ Date: _____

Lot Owner: _____ Signature _____ Date: _____

Save Postage/Supplies...MY EMAIL ADDRESS IS: _____



VOTE

ASSESSMENT

VOTE

I have read and understand the enclosed correspondence explaining the reason for a need to increase the annual assessment rate and that I may be required to pay a one-time special assessment of up to but not to exceed \$60.00 during the year 2012. I also understand the Board of Directors may lower this fee or not assess the fee without further membership approval.

INITIAL

_____ I approve the \$190.00 annual assessment rate

_____ I do not approve an increase in the annual assessment rate

_____ I approve the pre-authorization of a special assessment of up to \$60.00

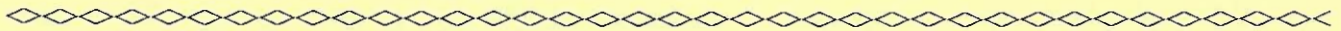
_____ I do not approve the pre-authorization of a special assessment of up to \$60.00



PLEASE INITIAL BELOW TO INDICATE YOUR ATTENDANCE:

(_____) I / We will be attending

(_____) I / We will not be attending



09-09-11

PROXY

PLEASE SIGN & PROMPTLY RETURN IN THE ENCLOSED ENVELOPE