

## MEMORANDUM

**TO: Members of the Mooreland Estates Homeowners Association**

**FROM: Mooreland Estates HOA Board of Directors**

**DATE: November 27, 2006**

**RE: 2007 Budget for Operations and Capital Expenditures**

Please find enclosed the approved budgets for the year 2007. A great deal of reinvestment has occurred during this year but we still have a great deal of reinvestment to do in 2007. Costs for services and supplies continue to rise and we have worked very hard to contain costs where possible. Regretfully, we must report that an increase in maintenance fees for next year of \$10.00 per unit per month is necessary. **If you pay your fees within the first five (5) days of the month, your maintenance fee will be only \$230.00 per unit per month.** However, for those of you who pay after the first five days of the month the fee will be \$260.00 per unit per month. This means a prompt payment discount of \$30.00 for those of you that pay within the five-day grace period, provided you do not have an outstanding balance from prior months.

As with every member of this Association, we do not want to pay \$10 more each month. However, there are two primary reasons necessitating the increase – cost of utilities and cost of insurance. Cost of water and sewer service has risen due to increases in consumption and costs for Association insurance increased because of the fire in January 2006. The Association was able to mitigate the normal inflationary pressures on other areas of the budget, which prevented a higher increase to the maintenance fee.

We realize the enclosed package of documents is rather large and daunting, but we feel the information contained is vital to the members of the Association. Please set aside some time in the next few days to become familiar with these documents. The documents included in this package include:

- HOA President's Message on the State of the Association
- Summary 2007 Operating Budget
- Summary 2007 Capital Budget
- List of Association Committees and their Duties
- Association Policy on Parking and Traffic
- Association Policy on Trimming Trees and Shrubs
- Association Policy on Member Accounts with Outstanding Balances
- Association Policy on Payment Plans for Member Accounts with Outstanding Balances
- Association Policy on Pool and Tennis Court Access Cards
- Association Policy on Vinyl Siding Reimbursement

We hope you and your family enjoy a happy and safe holiday season.

## President's Message on the State of the Association

Mooreland Estates Homeowner's Association

Brentwood, Tennessee

November 27, 2006

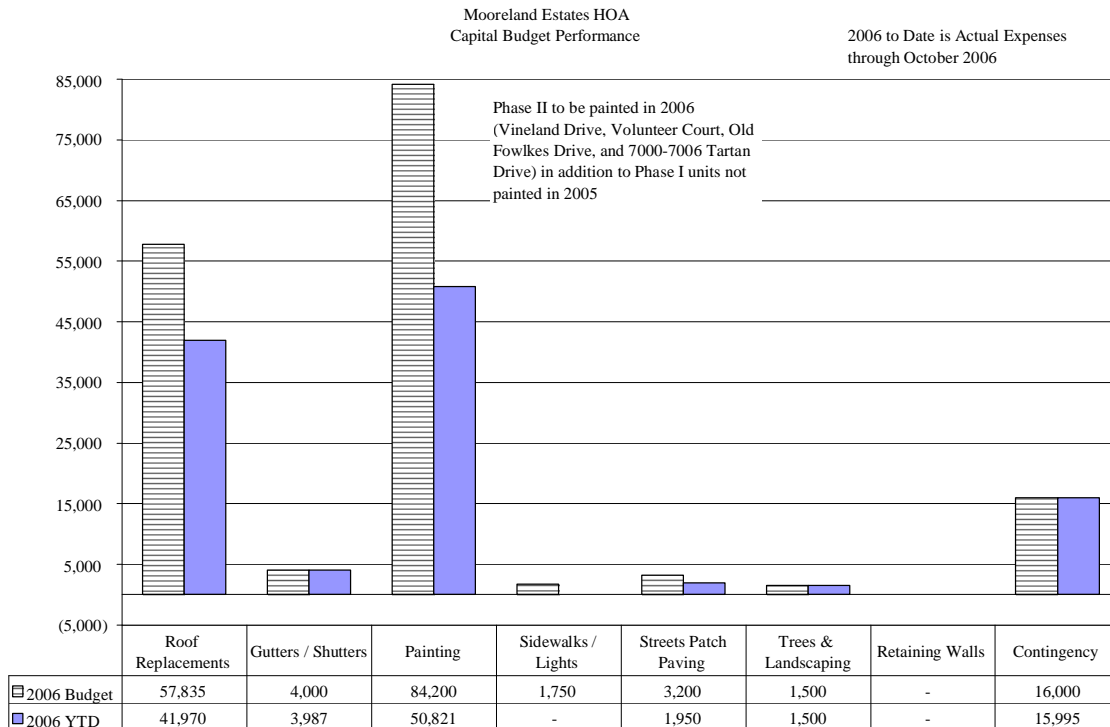
On behalf of the HOA Board of Directors, I would like to take this opportunity to update each of you on the progress the Association has made this year. As we approach the close of 2006, the HOA continues to be in a strong financial condition, especially when compared to previous years. Continuing with the trend begun in 2005; a strong reinvestment in the Association was made this year as well.

### Capital Reinvestment for 2005, 2006, and 2007

Prior to 2005, many members expressed concern at the pace of the Association's capital reinvestment in the assets and infrastructure for which it is responsible. In 2005, the way the Association reinvestments in capital assets were changed and significantly increased the funding available per year. For 2007, the Association will, in keeping with current policies, begin the year with a fully funded capital budget as well as begin funding the 2008 capital budget.

Beginning in 2005, the Association adopted a 15-year replacement policy on roofs, which means the HOA should replace a minimum of 10 roofs each year. A total of 35 roofs have been replaced during the last two years. At the current pace of replacement, the Association will be able to fully execute the 15-year replacement policy by 2011 once those roofs yet to be replaced are complete.

The 2006 Capital budget was \$122,700 and the 2007 Capital Budget is the same amount, exclusive of fundraising for Clubhouse Renovation. This yearly amount of reinvestment is deemed to be necessary to maintain the Association's capital commitment. It is believed this amount will fund approximately 12-15 roof replacements, begin painting of units in Phase III (though probably not finish the entire area), continue the scheduled replacement of gutters and shutters, and fund capital projects for landscaping, swimming pool, and interior renovation of the clubhouse.



### **Accomplishments of 2006**

During this year, the Association made significant progress in the collection of outstanding accounts. On May 1, 2006, the Association's accounts receivable was in excess of \$34,000. As of October 31, 2006, the outstanding accounts receivable balance has been reduced to slightly more than \$17,000. A few accounts are on payment plans that will eliminate their outstanding balance by December 2007. The Association Board engaged the services of a new attorney who has been directly responsible for the collection of the outstanding accounts. Board members reviewed and reaffirmed the Association's Policy on Outstanding Accounts, the Association's Policy for Payment Plans on Outstanding Accounts, the Association's Policy on Pool and Tennis Court Access Cards, and the Policy on Vinyl Siding Reimbursement. Copies of these revised documents are included in this package for your reference in addition to other policies affirmed in 2005. Please take a few moments to read and become familiar with them. They are also posted on the HOA website.

The Landscaping committee had several neighborhood clean up days working on the tree line adjacent to Moore's Land and the open field, the area along Mooreland Boulevard, the area around the clubhouse, and the area between Amanda Court and Reed Court. Five trees were removed and eleven tree seedlings planted. The front entrance was redone and the area really looks great! If you notice an area in the Association that needs some attention to the existing landscaping, please let a committee member know.

The Pool and Playground committee was formed this year and did a very good job of monitoring the activities around the pool and playground. Vandalism at the pool decreased greatly this past year and the committee also pressure washed the sidewalks around the clubhouse and pool deck. The gate locks for the Tennis Courts and Swimming Pool were changed and greatly improved to prevent unauthorized use.

The long term planning for the Association continues to proceed in a strong manner with the Five Year Capital Plan committee, the Governing Documents committee, and the Streets committee making steady progress in the execution of their duties. These committees are dedicated to ensuring the long term success of the Association. These committees are vital to the overall health of the Association, though their efforts are largely unnoticed by the majority of the members because those committees are not as visible.

Communication of information within the Association continues to be a challenge but there has been a significant effort to increase the level of communication. The HOA newsletter was published quarterly, an Association internet website has been established which is updated with HOA Board minutes each month, quarterly financial statements, governing documents, and other news of interest. The homeowner directory has been updated and a current version distributed to the residents in September. The Communications committee installed permanent sign/message board at Tartan Drive in February. The Association also sends updates via email to over 100 members of the Association at least on a monthly basis, if not more frequently. The Association emails HOA Board meeting monthly agendas to members a few days prior to the meeting. If you have email and are not receiving electronic email updates, please register your email address via the HOA's website.

### **Coping with Tragic Events**

Like everyone else, I was stunned as I watched the four units on Vineland Court burn this past January. In the midst of that tragic event, our hearts were opened to the families who suffered a loss that day. We rediscovered how special our neighborhood here in Mooreland Estates is. We also learned how difficult moving through the bureaucratic process of demolition and

## President's Message on the State of the Association – MEHOA - 2006

reconstruction is. Through the dogged efforts of our property manager, we were able to secure funding for demolition and reconstruction.

However, the process for gaining authorization for demolition was much more of a challenge. Finally, demolition of the burned units occurred in July and we should be able to begin construction very soon. The architect has completed the design drawings and the contractor's are in the process of bidding on the reconstruction project.

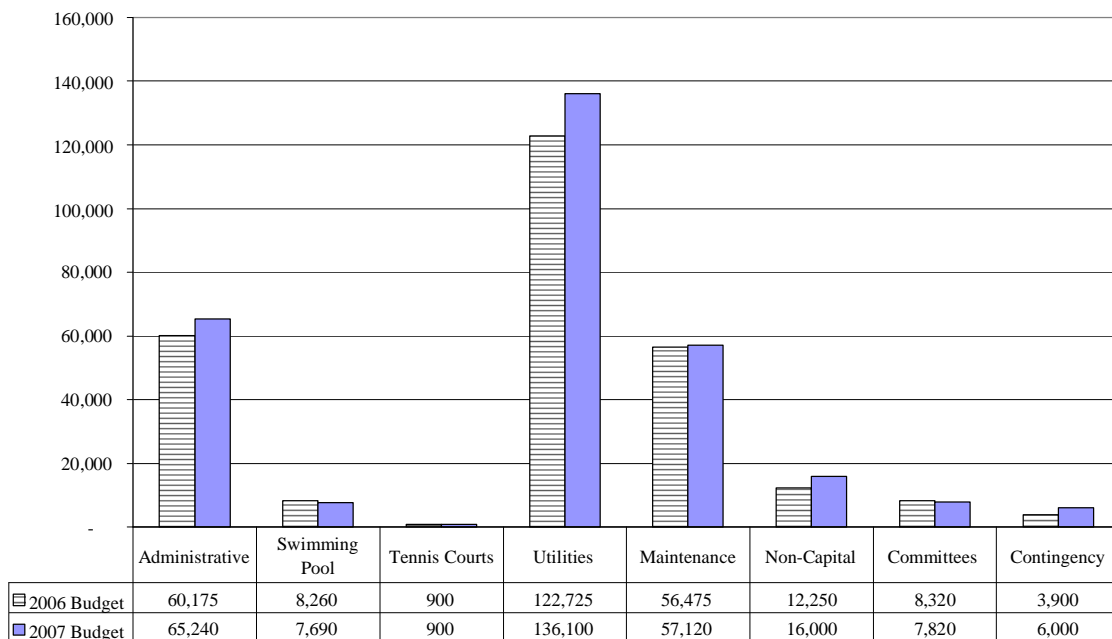
### Changes in How the HOA Operates

The 2004 capital committee recommended the HOA change how it funds its capital activities. The 2007 capital budget is funded from a portion of the monthly assessments paid by each member during 2006. Approximately 30% or \$53 of the monthly fee paid each month during 2006 is used to fund the next year's capital budget. This means that the entire capital budget is available each January since it was collected during the previous year. Prior to 2006, the capital budget was funded as the year went along which sometimes meant we were not able to proceed on projects as quickly as we wanted. For next year, approximately 30% of the monthly assessment will be used to fund the 2008 Capital Budget. This level of reinvestment in the Association indicates a strong commitment to ensure the viability of our neighborhood.

### Operating Budget Performance for 2005 and 2006

Operating expenses for 2006 are budgeted at \$273,005 that is funded by the non-capital portion of the monthly assessment paid each month during the year. The purpose of this budget is to fund the day-to-day operations of the Association. The 2007 Association Fee is \$ 230 per unit per month, however, if paid by the 5<sup>th</sup> of each month, the Association offers thirty dollar (\$30) Prompt Payment Discount. The Prompt Payment Discount is available to all members who do not have an existing balance due to the Association from the prior month. For 2007, the operating budget is \$296,870.

Mooreland Estates HOA  
**Operating Budget**



## President's Message on the State of the Association – MEHOA - 2006

An audit of the Association's financial records found no errors in the financial statements for 2005 and we expect the same in 2006. Copies of the HOA's audit reports from 2004 and 2005 are available on the website.

### **Who is the Association?**

Too often, HOA members forget who makes up the Association. The Association is not our Property Manager, it is not the HOA Board of Directors, nor is it all of the HOA Committees. The Association is comprised of all members of the HOA – if you own a unit in Mooreland Estates, you are part of the Association. What your neighbors do affects you and what you do affects your neighbors.

That is the primary reason the work of our committees is so important. The committees are made up of our neighbors taking time out to help the overall neighborhood thrive. Almost 1/3 of our neighbors are involved in the management of our neighborhood. Their work is a major reason for the positive direction of our neighborhood over the past two years. Imagine how much better our neighborhood could be if 1/2 of our neighbors were working on our committees? Please consider joining a committee and helping to improve Mooreland Estates.

### **Objectives for 2006**

Goals for 2006 include improved landscaping of the HOA common area, replacement of at least 15 roofs, continue painting the remaining Phase II units and begin painting of the Phase III units, update the homeowner / resident directory, proceed with the next phase of paving some of our streets, reduce our outstanding accounts, and continue to improve communication throughout the neighborhood. If there are any activities you believe the Association should undertake, please let either Westwood Management or the HOA Board know.

In closing, we would like to wish your family a safe and happy Holiday season. Please keep in mind the HOA Annual Meeting is March 15, 2007 and the Board meetings are on the third Tuesday of each month except during December. HOA Board meetings are open to all members.

Regards

Glenn Mizell  
HOA President  
371-1944  
gmizell@comcast.net

[www.neighborhoodlink.com/bwood/moorelandestates/](http://www.neighborhoodlink.com/bwood/moorelandestates/)

This is the address for the Mooreland Estates HOA website.

[moorelandboard@bellsouth.net](mailto:moorelandboard@bellsouth.net)

This is the email address for the Mooreland Estates Board of Directors.

## President's Message on the State of the Association

Mooreland Estates Homeowner's Association

Brentwood, Tennessee

### **Standing Committees for the Association – 2006 / 2007**

Several committees were re-formed or expanded during the year with the goal of increasing the involvement of the members in meeting the needs of the Association. In addition to the Board of Directors, the committees are:

- Five Year Plan Committee – the purpose of this committee is to review the Association's capital needs for the upcoming year and to recommend changes to meet the needs of the HOA. The committee is also charged with recommending funding for the capital reinvestment.
- Street Committee – the purpose of this committee is to investigate, recommend, and implement a strategy that ultimately, will convert the maintenance of our streets from the Association to the City of Brentwood.
- Landscaping Committee – the purpose of this committee is to develop a cohesive and functional plan for the common grounds of the Association. The plan will also include recommendations for trimming of shrubs and trees that affect the Association's maintenance activities.
- Governing Documents Committee – the purpose of this committee is to recommend changes to the Association's Covenants, Conditions, and Restrictions and the HOA By-laws. These documents are basically the same as written by the developer in 1976 and are in dire need of updating. This committee is committed to extensive discussions with Association members on proposed changes before any vote is taken.
- Communications Committee – this committee comprises the street captains and they update the HOA directory, welcome new neighbors, and plan street gatherings.
- Pool and Playground Committee – this committee is responsible for ensuring the pool deck is free from clutter, notifying the management company if the playground is need of maintenance, and ensuring compliance with the posted rules for usage.
- Clubhouse Interior Renovation – this committee is responsible for coordinating the updates and modernization of our clubhouse.
- Nominating Committee – the purpose of this committee is to nominate candidates for the Association Board.

## **ASSOCIATION POLICY ON TRAFFIC and PARKING**

### **Policies:**

1. Speed limit throughout the complex is twenty (20) MPH.
2. Vehicles must be street worthy, operable and must have current licenses as required. No vehicle is to be parked in any common area and labeled for the purpose of selling the vehicle. The common areas include, but are not limited to, overflow parking areas, grass areas, sidewalks, and streets within Mooreland.
3. Designated overflow parking areas are as follows:
  - a. • Areas so designated on Clearfield Drive
  - b. • Areas so designated in the courtyard on Flowerwood Court
  - c. • Areas so designated on Old Fowlkes Drive
  - d. • Areas so designated on Vineland Court
  - e. • Areas so designated on Rosewood Court
  - f. • Areas so designated on Rosewood Drive
  - g. • The end of Vineland Drive
  - h. • Cul-de-sac on Amanda Court
  - i. • Cul-de-sac on Tartan Crest Court
4. All motor vehicles must be driven on the streets only. All vehicles and operators must conform to the current Tennessee State regulations.
5. Vehicles may remain unmoved for no more than 7 days unless prior approval from the Board has been granted.
6. Hazardous Parking situations will be addressed by the Board and vehicles involved may be towed at owner's expense.

**Association enforcement actions:** Any vehicle, trailer, camper, boat, or similar equipment (hereafter referred to as "vehicle") deemed to be in violation of the above elements of this policy may be towed from the Association property at the owner's expense. The procedure for towing a vehicle, trailer, camper, boat, or similar equipment shall be:

- An offending vehicle will be reported to a HOA Board member or HOA Property Manager. A minimum of three Board members must agree that the vehicle should be tagged.
- The offending vehicle will be tagged with a violation tag indicating the date the vehicles will be towed. The violation tag will be placed on the vehicle in such a manner so the tag is clearly and plainly visible from the street.
- In no case will a vehicle be towed any sooner than three (3) days from the moment the vehicle is tagged. Vehicles parked in a hazardous situation will be subject to towing immediately.
- A courtesy phone call to the vehicle owner will be made, if the owner of the vehicle can be determined without expense to the Association.
- All vehicles towed will be at owner's expense.

## **ASSOCIATION POLICY ON TRIMMING OF TREES AND SHRUBERY**

**Background:** Pruning of trees and shrubbery is necessary to comply with Article VI, Section 2 of the HOA Covenants, Conditions, and Restrictions and Article VII of the HOA By-Laws (aka Governing Documents).

As stated in the Governing Documents, Section 2 of Article VI, the Association has "...the right and the obligation at any time to plant, replace, maintain and cultivate shrubs, trees, grass, plantings and the landscaping upon the common area and the additional maintenance areas and, subject to the conditions stated below, on all or any portion of a Building Sites." Early in its existence, the members of the HOA decided they wanted the right to determine the nature and makeup of the landscaping directly adjacent to their Building Sites. This is understandable – most of us want the inside and outside of our homes to be a reflection of those who live there. An agreement provided for an invisible three (3) foot area between their units and the adjacent common area. The homeowners accepted responsibility for the maintenance and appearance of the landscaping within this area. The landscaping (shrubs, trees) are not to impact the additional maintenance areas for which the Association is responsible to maintain (roofs, gutters, fascia, window trim, etc.).

**Justification:** When the landscaping is negatively affecting a residence's gutter, roof, fascia, or trim area for which the Association is responsible to maintain, it is imperative corrective action be taken as soon as possible to minimize any future expense to the HOA. Typically, the trimming has taken place during a painting cycle, however, over time, the growth of shrubs and trees adjacent to many units have reach proportions they now require frequent trimming to avoid damaging the above mentioned additional maintenance areas. While it is true that painters must be able to reach the areas they need to paint, the primary goal of the trimming plan is to save the Association money by reducing future maintenance needs.

**Policy:** During January of each year, the Association will send a letter of notification to all members stating the need for maintenance of landscaping to minimize future expense to the Association. On or before March 1 of each year, the HOA Landscaping Committee will survey the entire Common Area, including the invisible three-foot area between units and the adjacent common area. The survey will identify those trees / shrubs that are in need of trimming necessary to minimize future expense to the Association.

**Members whose trees and/or shrubbery may cause damage to the maintenance areas the Association is responsible for will be notified via postcard by the Association of the specific areas needing to be addressed. Members will be given a minimum of 25 days to correct the situation. After 25 days, the Association will contract to have the trimming completed at the member's expense. The Association shall invoice the member for the cost of the trimming plus five (5) percent to cover administrative expenses.**



**HOA Policy on Payments applied to Past Due Accounts**

**Association Policy on Member Accounts with Outstanding Balances**

1. For accounts that have outstanding balances and do not YET have a lien PLACED AGAINST the account / property, a periodic letter informing the member of the balance due and that any discount for prompt payment for that period has been lost shall be sent by the property manager to the member. The letter shall include a copy of this policy and remind the member they are responsible for all attorney fees, court costs, etc. normally associated with collection, as well as the past due outstanding balances, should the account remain unpaid.
2. Liens are placed on accounts with balances over 90 days in arrears or when a unit with an outstanding balance due is listed for sale;
3. Judgments are sought on Liens which are 90 + days old (180 days in arrears) where the balance currently outstanding is larger than the balance outstanding just prior to filing of the Lien (i.e. no payments or arrangements have been made between the member and the Association that would reduce the overall balance due);
4. Foreclosures are sought on Judgments within 60 days from receipt of Judgment where the balance currently outstanding is larger than the balance outstanding just prior to filing of the Judgment (i.e. no payments or arrangements have been made between the member and the Association that would reduce the overall balance due).

As of August 2006, the monthly assessment is \$250 per month per unit. If payment is made by the 5<sup>th</sup> of the month, a \$30 prompt payment discount is available, making the amount to be paid \$220 per month per unit. The association does not charge late fees, the difference between the \$220 and \$250 is a discount forfeited by the member.

**Association Policy on Agreed Payment Plans for Accounts with Outstanding Balances**

The HOA Board has recently modified the below policy, concerning checks returned for insufficient funds while reaffirming the remaining portion of the policy:

If a member's unit has a past due account balance and a lien is in place:

1. The member must sign up for auto draft payment for current month's assessment (without the benefit of prompt payment discounts until the outstanding balance is paid in full);
2. the member must submit personal checks by agreed date each month for the amount of the payment plan or balance due, less the amount paid via auto draft;
3. if a personal check is returned for insufficient funds, all future payments, except auto draft amounts, will be required to be by money order or certified check.
4. Payments received shall first be applied to balances from special assessments, then against the oldest monthly assessment balance outstanding, then against the current monthly assessment;
5. Member's with a balance due greater than the current month's assessment are not eligible for any prompt payment discount offered by the association, should the association choose to do so.

As of August 2006, the monthly assessment is \$250 per month per unit. If payment is made by the 5<sup>th</sup> of the month, a \$30 prompt payment discount is available, making the amount to be paid \$220 per month per unit. The association does not charge late fees, the difference between the \$220 and \$250 is a discount forfeited by the member.

**HOA Policy on Pool and Tennis Court Access Cards**

Fees for Pool and Tennis Court Gate Cards

Effective January 1, 2007, the fee for pool and tennis court gate cards will be a non-refundable \$25 per card. The fee will be non-refundable to recover the costs of maintaining the security gate, card reader, and replacement cards.

Members with an active pool or tennis court cards and desiring to receive a refund for their current cards will have until March 31, 2007 to turn in their cards to the property manager.

Members who chose to keep their current, active gate cards after March 31, 2007 will be deemed to have chosen to convert the refundable card to a non-refundable card.

**HOA Policy Reimbursement for Installation of Vinyl Siding during Paint Cycle**

**For homeowners who have vinyl siding installed on the exterior of their units:**

1. In lieu having the exterior siding surfaces of their units painted, homeowners may choose to install vinyl siding. The long-term result will be future lower costs to the HOA because of less painting required during paint cycles.
2. The Association's Board of Directors may, at the start of each paint cycle, chose to offer the following reimbursement option to homeowners whose units are scheduled for painting:
  - a. Upon installation of vinyl siding by the homeowner, the HOA will reimburse the homeowner an amount equal to what the HOA would have spent to paint the exterior areas of the unit now with vinyl siding.
  - b. The amount of reimbursement is calculated by subtracting the amount spent by the HOA on painting trim, shutters, gutters, doors and / or garage doors from what the selected paint contractor estimates would be the total amount spent by the HOA to paint all areas of the unit for which the HOA is responsible to paint.
  - c. For example: (illustrative purposes only)

Total estimate to paint all areas of unit for which HOA is responsible	\$1,500.00
Less: painting of gutters	(100.00)
Less: painting of front door	(75.00)
Less: painting of garage door	(250.00)
Less: painting of shutters	<u>(300.00)</u>
Total reimbursement available to homeowner	\$775.00

3. All Siding Reimbursements under this policy shall be brought before the HOA Board for approval prior to payment. Payments will be made up to the amount of reimbursement available to homeowner or total cost of the materials / installation, whichever is less.