

Northwood Hills Property Owners Association (NWHPOA)
Meeting at City Hall on November 10, 2007

A meeting of the Northwood Hills Homeowners Association will be held at City Hall on November 10, 2007, at 10:00 a.m. The purpose of this meeting is to determine if the NWHPOA will remain in tact or be dissolved. If you do not plan to attend the meeting, we urge you to vote by proxy. A proxy form (please see page 4) and postage prepaid return envelope have been enclosed with this communication. Please sign, date and return your proxy in the return prepaid envelope. If you do not return the proxy or do not mark your vote and sign the proxy you return, you will be voting to keep the association in existence. Your completed proxy form must be returned to the Board of Directors by 12:00 p.m. on November 10, 2007 in the postage prepaid envelope to have your vote counted as anything other than a yes vote.

Your Vote: As Property Owners we encourage you to look closely at this issue and give this matter serious consideration. The rules, regulations and restrictions established for this subdivision are there to enhance property values and many are in direct accordance with city ordinances as can be seen in a comparison on the NWHPOA Internet site (<http://www.neighborhoodlink.com/hernando/nwhpoa>). A small number of Property Owners have voiced an objection to having an association, viewing it as interference in what they do on their own property. It is a reality that what you do with your property will affect the property value of another 230 plus homes in our subdivision.

If you received this communication you are one of the 230 plus Property Owners in this subdivision who bought their homes with the expectation that your investment would continue to grow so that when you were ready to sell you would realize a nice profit. An active property owners association is a proven way of insuring your investment. The common area discussed in this letter **belongs to NWHPOA** and not the City of Hernando. As one of the 230 plus Property Owners you own a share of all the common areas within this subdivision and are responsible for annual property taxes and maintaining the common areas. By owning a share of the common areas you are also liable should a legal suit be brought against the Northwood Hills Property Owners. Your personal home owner's policy does not protect you or your family from being liable in the event of a personal injury occurring in the common areas. You might want to consult with the insurance company that issued your home owners policy to get their guidance on this issue. If the Northwood Hills Property Owners Association is maintained, a comprehensive policy of public liability insurance of \$1 Million Dollars will be procured to protect Property Owners should a legal suit be filed for damages/liability.

Background: According to documents filed with the Mississippi Secretary of States Office, the Northwood Hills Property Owners Association (NWHPOA), Incorporated has been filed (on June 15, 1998) and is in good standing with the State. Therefore, since June 15, 1998 the State of Mississippi has recognized the existence of NWHPOA.

Documentation: In late July an envelope was mailed to all Northwood Hills Property Owners containing a Memorandum from the NWHPOA Volunteer Committee; a copy of the Articles of Incorporation; a copy of a letter from Michael P. Hensley, Attorney at Law, who reviewed the Northwood Hills Subdivision and Northwood Hills Property Owners Association, Inc., documents including but not limited to, Plats, Covenants, Bylaws, and Articles of Incorporation; and a Question and Answer (Q & A) document that provided a response to questions submitted to Northwood Hills Property Owners Volunteer Committee. The Q & A document was reviewed by Michael and, pursuant to Mississippi law and guidelines, he further elaborated upon the answers given. If these documents have been misplaced they are also posted on the NWHPOA Internet site at (<http://www.neighborhoodlink.com/hernando/nwhpoa>).

Special Assessment for Capital Improvements: There appears to be some concern regarding the collecting and spending of money on improvements to the common area. None of the money collected as **annual dues** (please see page 3) can be spent on capital improvements in the common area. As per Article 4.4 of the Declaration of Covenants and Restrictions any money that is collected and spent for construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property requires a special assessment. In order for this special assessment **to be approved** and **funds collected** it must be approved by two-thirds (2/3) of the votes as described below.

Voting Requirements: According to Article 8 Section 5 of the Bylaws each Class "A" Member shall be entitled to one vote for each lot which they hold the interest required for membership. As all homes within this subdivision have been sold there are no Class "B" Members. The vote of Members representing two-thirds (2/3) of the total of the votes, in person or by proxy, calculated as aforesaid, shall be necessary to decide whether the Northwood Hills Property Owners Association, Inc. is maintained or dissolved.

Proxies: All proxies shall be in writing and filed with the Board of Directors. For your vote to be counted you must complete the proxy form on page 4 by checking the appropriate block, printing your name and signing the proxy form. The completed proxy form should then be cut out and placed inside the enclosed postage prepaid envelope and returned to the Board of Directors. If you would like you may bring the completed proxy form to the November 10, 2007 meeting and give it to the Secretary of the Board of Directors. All votes will be counted after the meeting is adjourned at 12:00PM. Should you have questions regarding the November 10, 2007 vote, please submit your questions to NWHPOA@bellsouth.net or mail them to NWHPOA Board of Directors, P.O. Box 863, Hernando, MS 38632.

NWHPOA Actions to Date: Since being elected by the Members at the August 11, 2007 meeting, the Board has elected Officers and conducted two separate Board meetings. We have collected quotes on liability insurance for the common areas as well as taken estimates on maintenance and upkeep. We have also prepared and mailed out our first newsletter, met with Mayor Johnson to discuss traffic safety issues and concerns within our subdivision; re-paving of roads, and the pickup of trash, yard waste and refuse. We have also set up an Internet site at (<http://www.neighborhoodlink.com/herando/nwhpoa>). To view the Minutes of our meeting with Mayor Johnson and other pertinent information pertaining to our association, please visit the NWHPOA Internet site. Projected budget for CY-2008 is shown on page 3. An updated version of this budget form, showing income and expenses, will be included as part of each newsletter that is mailed out by the Board of Directors.

Benefits of Having an Active Property Owners Association

Having an elected Board of Directors who manages the affairs of the Association; a single voice for all 230 plus Property Owners in dealing with City Government in matters pertaining to Northwood Hills subdivision; enforcement of all covenants, rules, regulations, and restrictions applicable to the Northwood Hills subdivision; adequate liability and hazard insurance in place on all property owned by the Association; common areas maintained, with grass cut on a regular schedule; holding property owners who rent their homes accountable for the actions of their tenant (this includes ensuring that rental property owners hold their tenant responsible for complying with the covenants, rules, regulations, and restrictions applicable to the Northwood Hills subdivision); continuing emphasis on maintaining and increasing property values; and low out-of-pocket costs per family (approximately \$5.00 per month) to operate and maintain the association.

CY-2008 PROJECTED BUDGET

PROJECTED RECEIPTS			
Annual Assessment Per Lot/Home	Number of Lots/Homes	Actual Receipts to Date	CY-2008 Budget
\$50.00	232		11,600.00
TOTALS			11,600.00
PROJECTED EXPENSES			
Expense Category	Expense Since Last Report	Yearly Expenditure	CY-2008 Budget
Property Tax			\$100.00
Liability/Hazard Insurance Premium			\$3,000.00
Maintenance of Common Area - Grass Cutting (18 x \$300.00)			\$5,400.00
Postage and Materials Spent to mail out Newsletter and Proxy Letter			\$385.00
Postage and Materials for 4 Mailings (4 x \$150.00)			\$600.00
Rental of Post Office Box			\$100.00
Attorney Fees			\$1,000.00
TOTALS			\$10,585.00
CASH HELD IN RESERVE			
Financial Institution	Amount Last Report	Current Amount	CY-2008 Budget
BancorpSouth Bank			\$1,015.00

PROXY FORM

Address Label Appears Here:

Please Check the Appropriate Block:

☐ I Vote to Maintain the Northwood Hills Property Owners Association.

☐ I Vote to Dissolve the Northwood Hills Property Owners Association.

Name of Property Owner: _____.
(Please Print)

Signature of Property Owner: _____.