



## WF Follow up Q&A from Q2 Board Meeting

July 16, 2024

The minutes of the meeting are posted on the website ([Unapproved- Windmill Farms- Board Meeting Minutes- 7.16.24 \(windmillfarmshoa.com\)](https://windmillfarmshoa.com) ) which includes some Q&A that were completed on the call. Additionally, fifteen pages of “chat” notes, comments, and questions are represented below in various categories. Questions (Q) were directly from homeowners and Answers(A) provided by Essex Management Team of behalf of Windmill Farms HOA (Duplications and homeowner names were removed).

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### Collections/Delinquencies

Q: What percentage of accounts are delinquent for annual assessments in years 2023 and 2024?

Q: What percentage of rental accounts are delinquent for annual assessments in years 2023 and 2024?

Q: Why isn't the HOA taking legal action to collect the \$600K in delinquent dues that would have prevented any additional fees being requested from the homeowners?

Q: I pay on time why do I have to pay for someone else go after those who haven't paid.

Q: Why hasn't the HOA collected delinquent assessments? If not why hasn't the board exercised the option to foreclose on the investors?

Q: what happens when the HO who already delinquent, do not pay their assessments? Do we get charged another ridiculous fee next year?

Q: Is there no accountability for delinquent accounts?

Q: We are in July. Month 7 of 12... how are there not more foreclosures due to non-payment of yearly dues? Process starts at 30 days past due correct?

### Answer/Response

The collection process is governed by state laws, which were recently updated in October 2023. The HOA Board adopted these regulations via State Mandated Policies, which has been signed, recorded with the state, and posted on the HOA website

(<https://windmillfarmshoa.com/documents/association-documents.aspx>).

The typical escalation period from the first 30-day late notice to a property being sold at foreclosure auction ranges from 12 to 16 months. The HOA issues the initial two notices: a 30-day late notice and a 45-day demand. Once an attorney demand letter is issued, the attorneys manage the process.

Please be aware that various factors can extend this timeline by an additional 6 to 12 months, including but not limited to payment plan defaults, bankruptcy, disputes and appeals, death, and issues with notification and service.

Over the last four years, the average homeowner resident delinquency rate is 20-22%. The average for investment/rental properties is less than 1%.

There are currently 11 properties listed for Foreclosure sale. There are over 220 properties that are at the Attorney Demand Letter status or greater.

## **Budgets/Financials**

Q: So... we are paying 500 for lawn services and pool services ?

Q: I would also like to see an account of actual benefits from those cameras that we paid for. Crime seems to be increasing not decreasing.

Q: When was the last time annual assessments were raised?

Q: Does sundown properties pay dues for the land they own within our neighborhood?

Q: Does the developer pay dues since they "own" multiple properties? If the developer does not, how does that not negate their votes (majority)

Q: So you just said that you said you'd have to maybe add another 225 for the 2025 budget? Would that add on going forward every year?

Q: Is the budget report available for viewing on the HOA website?

Q: Can you send us a breakdown of all the administrative expenses?

## **Answer/Response**

The Annual Budget process starts in August and concludes in November each year. During this period, all eligible vendor contracts are either bid out or rebid. Major services under review include landscaping and irrigation, pool monitoring and servicing, portering, planned major repairs (such as pool resurfacing and fencing), and pond maintenance. We also aim to budget for reserve contributions.

In 2023 and 2024, 93% of our income is derived from assessments, which are set at \$535 annually. This is an increase from the \$495 annual assessments for 2021 and 2022. The developer does not contribute dues. However, once the developer sells a lot to a homebuilder, the homebuilder is required to pay assessments at the same rate as homeowners. Sundown Ventures, despite legal pressure from the HOA, does not pay dues.

Our objective is to maintain flat assessments, keep expenses under budget, and ensure reserve contributions are made. These reserves are allocated for unplanned expenses or improvements to common areas. The current budget and previous years' budgets, along with year-to-date financials, are available on the HOA website ([link here](#)).

Additionally, audits and reserve studies are conducted every three to four years, with the next to be budgeted & scheduled for 2025.

## **Insurance**

Q: Why hasn't the HOA been fully insured?

Q: what insurance does the neighborhood have? If it is only fire, per CCRs, will we be obtaining other insurance.

Q: Why, in the Tornado Alley do we only have fire insurance?

Q: Can we see denial?

Q: Can we see proof of claim denial

Q: Claim submission and denial.

Q: We want to see the denial

### Answer/Response

The Comprehensive Insurance Policy is reviewed annually by the Board to assess any updates, changes, or deletions related to HOA assets and coverage. The Broker Agency then evaluates various policy carriers to ensure optimal coverage and pricing.

The policy provides Property Coverage for HOA assets, including pools, pool buildings, fencing around the pool, furniture, monuments, playgrounds, ponds, and fountains. It covers perils such as fire, flooding, crime, wind, and hail, with various endorsements, exclusions, and deductible levels for each peril. The property is insured at replacement cost up to \$900,000.

The Liability portion of the policy is specifically designed to protect the HOA from accidents, injuries, and fatalities, with a coverage limit of \$1,000,000 and an aggregate limit of \$2,000,000. Additionally, the HOA holds Directors & Officers Insurance for the Board of Directors, with coverage amounting to \$1,000,000.

Please note that fencing damaged by the recent 100-mile-per-hour storm is not covered by this policy, as it is not owned by the HOA. Coverage extends only to the fences surrounding the pool amenity areas.

### Storm Damage/Cleanup/Repairs

Q: Who does d&d know within the hoa to get the bid? How many companies submitted bids?

Q: If we live on property facing the sundown ventures properties, are we being assessed these fees since you are unable to deal with anything on that property.

Q: Who did the initial damage survey and were subsequent surveys done to narrow the scope of costs associated with damaged trees and those of property?: when will the debris be removed from the Sundown Ventures?

### Answer/Response

On the day of the storm, Essex's Inspection Department, along with the Community Manager, Assistant Manager, and Director of Operations, were on-site to assess the damage. At the request of the MUD, we engaged a construction company to clear streets of fallen trees and debris to ensure residents could safely exit their driveways and avoid further damage or injury. This cleanup included major thoroughfares as well as streets within the community.

We filed an insurance claim despite anticipating its denial, which was subsequently denied with no further action required from the insurance company. We promptly initiated a Request for Proposal (RFP) process, soliciting bids from a minimum of three vendors for tree and limb trimming, removal, and fence repair/replacement. We selected three companies from the Essex HOA

Approved Vendor List, all of which are highly qualified, well-rated, and meet the necessary certifications and liability requirements.

The total fencing damage amounted to 33,764 linear feet, or 202,584 square feet (approximately 6.40 miles). After evaluating the bids, D&D Commercial Landscaping was awarded the contract and commenced cleanup immediately. The estimates for the work, including cleanup, ranged from \$630,000 to \$790,000.

As of August 1, 2024, only a small amount of debris remains in the common areas, which is scheduled for removal on August 5, 2024. Fencing repairs are 65% complete. Significant debris and fencing repairs are still needed at Sundown Ventures, which will be reported to the county for further cleanup and repair. ([https://windmillfarmshoa.com/news/news\\_current/24-08-06/Storm Damages Repairs Clean Up Updates.aspx](https://windmillfarmshoa.com/news/news_current/24-08-06/Storm_Damages_Repairs_Clean_Up_Updates.aspx))

### **Leasing Guidelines/Restrictions**

**Q:** Again... can we limit the amount of renters that come into the community? We work hard for what we have. We spent money on our own fences and you keep demanding more money from us. It is only Fair that you help bring our community to the clean and peaceful place that it once was. Give and take. You have to do better.

**Q:** Yes we can limit the number of renters that come in. We can get rid of section 8.

### **Answer/Response**

The development company has consistently opposed the implementation of leasing caps in Windmill Farms. Essex has been collaborating with the county to enhance leasing regulations, including stricter requirements for tenant information and acknowledgment of HOA CC&Rs. During the meeting, we solicited volunteers for an ad-hoc committee and received five volunteers. Thank you for your interest; we will be in touch soon to arrange a meeting.

### **Customer Service/Questions/General**

**Q:** I have installed the Paxton Key App for accessing the pools since last year, but I never get a reply from the related email provided by HOA as i have emailed them for many times!!!! Please advise if anyone is in charge of that. Thanks!

**A:** please send me directly your address

**Q:** Is the architectural review committee approving the painting of brick within the community? I have seen a large number of properties in phase 1 making drastic changes to the aesthetic of the neighborhood.

**A:** The ACC reviews all applications(if submitted) for exterior painting color of "Earth tones". If there are addresses that need to be reviewed, please forward them.

**Q:** Could the HOA do anything about the aggressive dogs in the neighborhood that are outside their fences? Are we holding homeowners responsible for their pets and especially the aggressive breeds?

One of our homeowners was attached recently along with his pet that end up in the emergency room overnight. Could the HOA do more on this?

**A:** Windmill Farms is in an ETJ so the MUDs control contracting for services of Police, Fire, Utilities, and other services. This has been addressed with the County Sheriff's office. They will take calls for "loose & aggressive dogs".

**Q:** I hate to break it to everyone. We all received the Covenants and rules before we bought into the neighborhood.

**A:** This is very true. These are the rules and regulations, laws and by laws from which the HOA is governed, and which the homeowner agreed to abide by being in a deed restricted community – see below (<https://windmillfarmshoa.com/documents/governing-documents.aspx>)

**Q:** Up to 50% without a vote from Class A - see below

**Q:** Then we must file another amendment. To allow the homeowners to VOTE - see below

**Q:** Will we have another opportunity to talk about some other issues/concerns that we have other than this storm damage and assessment?

**A:** Until next in person meeting, please email or submit web submission

**Q:** I volunteer as tribute to join an ad hoc committee **A:** Thank you, stay tuned

**Q:** I volunteer .. but these kids are so disrespectful **A:** Thank you, stay tuned

**Q:** Same, I work with Title I schools, so I'm used to it. **A:** Thank you, stay tuned

**Q:** I would like to be a part of the Ad hoc committee **A:** Thank you, stay tuned

**Q:** Can you:

- Can you involve the community in the vendor selection process?

**A:** Your Board Members are involved in any necessary vendor selection. If you have a vendor you would like us to consider, please have them contact Essex.

- Can you make the voting process easier by giving the option to do online proxy votes? – see below
- Can HOA meetings be held after regular business hours so that more homeowners can attend? - will make request to the Board
- Can you send us a list of the current vendors?

**A:** This and other specific confidential data is only for Board Members and Management Company. If you have a specific issue with a current vendor or want a potential vendor to be reviewed, please submit via email or web submission

**Q:** Listen all. As a community we can get anything done, including getting a new HOA or getting rid of the HOA completely. It just takes time and effort. I'm willing to put in the work and get involved. I've seen it done before; it can be done again

**A:** Once WF has transitioned to a full homeowner Board, the HOA will have certain abilities to make any changes/deletes/additions to the CCRs, By Laws, and amendments of the HOA.

**Q:** In person meeting and when??

**A:** The last in-person meeting was the 2023 Annual Meeting held February 29, 2024 at North Forney High School. Of the 3448 current homeowners in WF, 97 homeowners were present. The next in-person meeting will probably be in January 2025 to review 2024.

### **Answer/Response**

We appreciate everyone's questions and comments. If you still have additional questions, please contact:

1. Customer Service Center from 9am-5pm Mon-Fri at 972-428-2030
2. Web submission: [www.windmillfarmshoa.com](http://www.windmillfarmshoa.com)
3. [Billings@essexhoa.com](mailto:Billings@essexhoa.com)
4. [ACC@essexhoa.com](mailto:ACC@essexhoa.com)
5. [Compliance@essexhoa.com](mailto:Compliance@essexhoa.com)
6. If you send an email, please include the applicable address and pictures.

Best regards

Essex Association Management Team on Behalf of Windmill farms HOA