

FREQUENTLY ASKED QUESTIONS ABOUT JOHN WIELAND HOMES AND NEIGHBORHOODS' NEIGHBORHOOD ASSOCIATIONS

WHAT IS A NEIGHBORHOOD ASSOCIATION?

A Neighborhood Association is a not-for profit corporation that has been established by a Declarant (typically the developer(s) of the neighborhood). John Wieland Homes and Neighborhoods envisioned an environment where families are living amongst each other sharing in camaraderie. The Declarant builds amenities and formulates a landscaping plan that will enhance the appearance of the Neighborhood. This peripheral view is typically one of the reasons you chose to live in a neighborhood. The Neighborhood Association is responsible for the maintenance and upkeep of these amenities as well as all of the common areas, which include the landscaping. Your Neighborhood Association exists for the sole benefit of its members, the homeowners of the Neighborhood. Through its governing documents, the Association manages the administration of the organization, provides for maintenance of its common areas, maintains insurance of both property (within the common area) and liability, and facilitates the covenant management – a key to achieving protection of home values in your Neighborhood.

WHO MANAGES AND RUNS THE ASSOCIATION?

The Board of Directors has responsibility for managing and operating the affairs of the Association. Initially, John Wieland Homes and Neighborhoods appoints all members of the Board. Neighborhood Management Associates, Inc. (“NMA”) assists the Board in managing the operations of the Association. Homeowners are elected to serve as Board members at the time stated in the By-Laws of your Association. Prior to that time, an Advisory Committee is elected to work with the Board of Directors in carrying out the responsibilities of the association. The Board of Directors and homeowner-elected Advisory Committee work together to provide a balanced management team. Each homeowner is encouraged to participate in the association affairs through one of the established committees. Since different homeowners have different interests, the opportunity to choose from various committees serves as an incentive to become involved in general association activities.

WHAT LEGAL DOCUMENTS ESTABLISH THE ASSOCIATION?

The Declaration of Protective Covenants and By-Laws establish the Association as a not-for-profit organization. Each homeowner should receive, prior to closing, copies of these legal documents from the Neighborhood Sales Manager.

HOW MUCH IS THE ANNUAL ASSESSMENT AND DOES EVERYONE HAVE TO PAY?

The Neighborhood Association annual assessment is determined by the Board of Directors. The Neighborhood Association documents provide that each homeowner pay the costs necessary to carry out the services and obligations of the Association. The Association's obligations typically include such items as landscape maintenance, insurance, taxes, pool maintenance, and other such neighborhood expenses.

CAN THE ASSESSMENT OF THE ASSOCIATION BE CHANGED?

While Association expenses are affected by cost of living increases, other factors also contribute to the costs of operating the Association. For example, Associations must use utilities and, like other businesses, are affected by utility rate increases. Assessments may change to reflect increases in costs, services and the annexation of additional common areas.

HOW ARE ASSESSMENTS PRO-RATED THROUGHOUT THE YEAR?

The monthly cost of operating the Association may fluctuate dramatically during each budget year. If the bulk of the costs of operating the Association are likely to be incurred in the summer months, any owner moving into the neighborhood after the beginning of the budget year, but prior to the summer months, is required to pay a larger prorated assessment amount than someone who closes later in the fiscal year.

ARE THERE DELINQUENCY PROCEDURES FOR LATE ASSESSMENT FEES?

Yes. Any assessments not paid when due are delinquent. If not paid within fifteen (15) days after due date, the assessment may accrue interest from the date of delinquency at a rate outlined in the Covenants, and the Association may bring legal action against the owner to pay the amount due or, in the extreme uses, may initiate foreclosure proceedings on the property.

WHAT EXACTLY DOES THE ANNUAL ASSESSMENT PAY FOR?

Assessments are used for promoting the recreation, health, safety and welfare of residents in the neighborhood and particularly for improvements and maintenance of the property, service and facilities devoted to this purpose and related to the use of common areas.

WHAT ARE THE RESPONSIBILITIES OF THE VARIOUS COMMITTEES?

The Advisory Committee is established to advise and assist the Board of Directors. Members of the Advisory Committee are elected by the membership. The Advisory Committee or the Board of Directors establishes various committees as appropriate to carry out the duties of the operations of the Association. The responsibilities of each committee are determined by the Board of Directors and Advisory Committee. For example, one of the responsibilities of the Pool Committee is to provide input into the establishment of pool rules each year and provide recommendations for the day-to-day operations of the pool.

The Board of Directors looks for the Advisory Committee's advice on all subjects relating to the operation of the facilities. The Board takes this advice unless they have substantial experience from other neighborhoods which indicates that the advice is unwise or unless actual experience proves the Advisory Committee's position to be incorrect. Since the Advisory Committee has been properly elected and represents, in their own best judgement, the overall interests of the neighborhood, the Board wants the rules to be set as the neighborhood wishes, subject to limitations which must be imposed in the course of being prudent business people. In similar respect, the Board relies on committees to provide guidance in approving modifications to the rules and guidelines for the operation of the neighborhood. The Board reserves the right to disagree, as provided for in the documents, but basically wants the homeowner committees to establish operations.

Committees established by the Advisory Committee or Board of Directors are classified as "standing". The standing committees are established for the purpose of transacting the regular business of the Association. The standing committees shall continue indefinitely in an on-going capacity until dissolved by the Advisory Committee or the Board of Directors.

WHAT ARE THE PROCEDURES FOR REQUESTING REVIEW OF A PROPOSED ARCHITECTURAL CHANGE?

At the time of closing, you should have received the Declaration of Covenants, as well as the Design Guidelines. All proposed changes must be submitted in writing, to the Covenants Committee. When a modification request is received, the Covenants Committee will review in light of the Covenants and Guidelines governing the Association. The requests may fall into one of four categories:

1. It may be a routine approval under the established guidelines; in which case the Covenants Committee will issue approval and forward copy of approval to the Advisory Committee/Board of Directors and homeowner applicant. Any formal complaints received in response to a decision of the Covenants Committee will be directed to the Advisory Committee/Board of Directors.
2. If a submittal is inconsistent with the Covenants and Design Guidelines, the Covenants Committee shall disapprove the submittal. Any formal complaints received in response to a decision of the Covenants Committee will be directed to the Advisory Committee/Board of Directors.
3. It may be approved if minor changes are made to the submitted plans. For example, a fence may be acceptable in color, style and height, but its positioning on the lot may not be appropriate. The Covenants Committee will recommend approval conditional with alterations to the original plans, if conforming to the intent of the Design Guidelines, then forward to the Advisory Committee/Board of Directors to initial.
4. Finally, the submittal may fall into an area that requires the Covenants Committee to make a decision based on the overall Neighborhood standard which has been established. For example, structures not specifically addressed in the Covenants and Design Guidelines, but subject to approval, such as rock retaining walls, would fall into this category. In these cases, the Covenants Committee would forward their recommendation to the Advisory Committee/Board of Directors for review. If there is not adequate information to approve the application, a meeting may be called. The Board of Directors would be asked to review any unusual requests.

Everyone involved in the approval process should be a member of the Covenants Committee for that neighborhood and serves at the request of the Advisory Committee/Board of Directors. If there is a dispute as to whether a modification request should be approved, the Board of Directors will be asked to make the final judgement. Committee members are obligated to make fair and reasonable decisions that are in compliance with the Covenants. In the event a decision is challenged, sound reasons for the final decision must be provided, even in cases where the decision is purely subjective.

The verbal approval of any sales agent, John Wieland Homes and Neighborhoods' employee, and/or an Association representative is not sufficient. All modification approvals must be in writing.

ARE THERE SET GUIDELINES FOR WHAT MAY OR MAY NOT BE ACCEPTABLE?

Yes. The primary responsibility of the Covenants Committee is to assist the Board and Advisory Committee in discharging the association's responsibilities. Its actions are subject to review by the Board of Directors. For further information regarding the Design Guidelines and procedures for obtaining modification approval, please contact the Covenants Committee, Advisory Committee or the Board of Directors.

HOW CAN RESIDENTS BECOME INVOLVED OR VOICE OPINIONS?

Each year an Advisory Committee is elected to represent the members. Anyone interested in becoming involved in the neighborhood should contact one of the Advisory Committee members.

Any homeowner wishing to voice an opinion on a question should do so to their Advisory Committee. They may send a copy of their opinion to the Board of Directors, but the Board looks to the Advisory Committee for guidance – not to individual homeowners. Dealings as the Board of Directors should be with the Advisory Committee, except as may be necessary to enforce rules or guidelines or other items that relate to the overall safety and welfare of the neighborhood.

WHAT PROFESSIONAL MANAGEMENT SERVICES ARE PROVIDED BY NEIGHBORHOOD MANAGEMENT ASSOCIATES (NMA)?

John Wieland Homes and Neighborhoods' Associations are professionally managed by NMA. The following services are provided:

1. Bill and collect monies due the Association and post in financial books all monies received.
2. Process delinquent accounts.
3. Determine accuracy and legitimacy of all invoices for services and goods delivered to the Association.
4. Schedule and make payments of such accounts and keep records of all such transactions.
5. Establish and maintain Association bank account.
6. Prepare an annual cash flow budget.
7. Place and keep in force necessary insurance on the common areas.
8. Negotiate all contracts for services and work desired by the Association relating to common areas.
9. Prepare periodic financial statements.
10. Attend Board meetings.

WHO IS RESPONSIBLE FOR OBTAINING INSURANCE?

The Board of Directors is responsible for obtaining the necessary insurance as required in the Covenants. A Certificate of Insurance may be obtained through Neighborhood Management Associates, Inc., the on-site Neighborhood Sales Manager or the Advisory Committee.

WHEN IS THE RECREATION FACILITY CONVEYED TO THE HOMEOWNERS?

Generally speaking, recreation facilities and common area are conveyed upon completion.

WHAT FURNISHINGS, FURNITURE, ACCESSORIES WILL BE PROVIDED BY JOHN WIELAND HOMES AND NEIGHBORHOODS, INC.?

Each neighborhood is uniquely designed and marketed. Therefore, each clubhouse is furnished differently. Most designer furniture in the Clubhouse is provided by John Wieland Homes and Neighborhoods, Inc. The Association is responsible for providing other furniture such as pool furniture, folding chairs, folding tables, vacuum cleaners, etc.

WHY ISN'T A COOK TOP FOR THE STOVE PROVIDED BY JOHN WIELAND HOMES AND NEIGHBORHOODS, INC. IN THE CLUBHOUSE?

Providing a cook top stove would require that the association:

1. obtain a commercial grade stove (in excess of \$15,000),
2. meet restrictive fire codes, which could entail expensive architectural restructuring for ventilation requirements,
3. increase insurance coverage due to the greater liability versus a microwave/oven.

Funds for these requirements would have to be taken out of the Association budget, taking away from other Association needs.

WHY IS THE DISCRETIONARY FUND ESTABLISHED?

The discretionary social fund is established by the Board of Directors to encourage social events and is based on \$15.00 per household. Unless the Advisory Committee provides the Board of Directors a budget at the beginning of each year and receipts for the actual expenses, no funds will be available and may be forfeited.

HOW ARE LIFEGUARD HOURS DETERMINED?

Each September, the Pool Committee is invited to obtain bids for the following year based on a certain number of guard hours per home. Lifeguard hours are determined by the number of homes in a neighborhood. A full-time lifeguard may be cost prohibitive in smaller NEIGHBORHOODS. For example, full-time lifeguard service minimally costs \$12,000 each year. If there are 50 homes, the cost for full time service would be \$240.00 per household. Therefore, full-time lifeguards would be cost prohibitive.

WILL THE COMMITTEES HAVE INPUT INTO CONTRACT NEGOTIATIONS SUCH AS POOL OR LANDSCAPE CONTRACTS?

Each committee is encouraged to participate with the bidding process. While the Board of Directors reserves the right to disagree, there seldom is a problem accepting the Advisory Committee's recommendation. Committees should provide recommendations no later than 15 days prior to the anticipated contract acceptance date.