

November 20, 2005

RE: HOA Annual Assessment Increase

Dear Windy Hill Farms Resident:

Financial security and flexibility are critical to operating any homeowners association. The intent of the recent 10% increase in the HOA annual assessment is not only to keep Windy Hill Farms solvent in 2006, but to better prepare us for the future.

Significant cost increases are expected next year for several sizeable budget items, including Management Services, Contract Services and Utilities. As a point of reference, every Texas homeowner should already be aware that electric and gas prices are projected to increase over 25% in 2006. And, according to the City of Murphy, water prices will likely increase 5-10%. We will work to manage these cost increases, but just like your home, it will definitely impact our HOA.

In 2005, we were able to make commendable capital improvements to the clubhouse, pool, soccer fields and playground. It is important that we not only maintain, but further develop these assets, so we will continue to invest in these facilities and across the common areas throughout next year.

Finally, we must persist with building up our reserve fund balance to protect us against large unexpected expenses in the future, such as lawsuits or natural disasters. As such, we are allocating 10% of our 2006 projected income toward our Reserve Fund.

Our commitment to provide the homeowners of Windy Hill Farms with an attractive community, excellent amenities and financial security remains strong. We hope that residents agree with this philosophy and understand the financial resources that are required to support it.

To learn more about 2006 HOA Budget referenced in this letter, please contact the Board of Directors at [bod@windyhillfarmshoa.com](mailto:bod@windyhillfarmshoa.com) or attend the HOA Annual Meeting in April. And, for additional information on the homeowners association, please visit the Windy Hill Farms website at <http://www.windyhillfarmshoa.com>.

Sincerely,  
Windy Hill Farms Board of Directors