

Board of Directors

Aric Wenzl
Sara Komen
Earl vonRentzell
Zach Roth
Joan Luebbert

Robyn LaMar, Mgr.

Applewood Heights Homeowners Association

January 22, 2016

Re: First Quarter 2016

Dear Association Members,

Happy New Year! The Applewood Heights Homeowners Association's (the "Association") 2015 annual meeting was held on November 4, 2015. Forty-seven (47) members ("Members") were in attendance. At this meeting Joan Luebbert was elected to the board of directors ("Board"). Please welcome Joan to the Board, and thank you to all who voted in the election.

The Association maintains a favorable financial condition. As of December 31, 2015, the Association had \$179,283 in cash. Of this amount, \$36,925 (21%) is available for general operations, \$19,710 (11%) is reserved for covenant enforcement, and \$122,648 (68%) is reserved for perimeter fence maintenance and repair. In terms of operations, in 2015, the Association generated income of \$30,301 and incurred expenses of \$26,290, for a net income of \$4,011. The Board has determined that the 2015 net income will be allocated to the Association's covenant enforcement account for 2016. The Association's 2015 balance sheet and profit and loss statement are attached to this letter for your review.

Also attached with this letter is a notice that your 2016 Association dues are due by February 26, 2016. Please submit payment to Applewood Heights Homeowners Association, P.O. Box 615, Boys Town, NE 68010. As indicated in the invoice, the 2016 dues will remain at \$60 per lot.

The Board considers the Association's purpose to be fourfold: (i) common area maintenance; (ii) architectural control; (iii) covenant enforcement; and (iv) social welfare. Therefore, the Board's actions will be consistent with these purposes. We will continue to fund common area maintenance such as repairs to the perimeter fence and landscape services on the perimeter lawn and entrance islands. Architectural control is provided through the Architectural Control Committee, subject to oversight by the Board. Covenant enforcement is accomplished on a situation by situation basis through various means such as enforcement letters, fines and legal action. Finally, in support of social welfare, the Board is prepared to sponsor one or more neighborhood events, such as a block party or picnic. If you would like to be involved with planning such an event please join the Social Committee group on Nextdoor (described below).

For those of you who did not attend the annual meeting, there were two primary areas of concern. First, several Members expressed concern regarding homes in the Association

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that are being leased. Apparently some rental homes appear unkempt, have an unreasonable amount of traffic flow or are otherwise distracting from the neighborhood's appearance. If you own a home in the Association that you are leasing, the Board urges you to make sure that your tenants are adhering to the covenants. Please note, too, that you are responsible for any covenant violations of your tenants. Most importantly, out of consideration for the other Members, please make sure that your tenants are maintaining the property in a manner that reflects positively on the neighborhood. Second, several Members expressed concern that garbage is being placed out for collection well before Sunday evening. As per the covenants, garbage should not be placed out for collection before 10 p.m. on the day before collection (i.e., Sunday evening).¹ While that may be unreasonably burdensome for some Members, the purpose of the covenant is to hide unsightly garbage from public view. Again, the Board asks you to be considerate of the other Members and not to put your garbage out too early on Sunday evening.

Finally, we note that while the Association's covenants are designed to restrict certain activities that detract from the neighborhood's appearance, certain additional activity is also prohibited per the City of Omaha ("City") Municipal Code. Things like nuisance (noise, odors, lights, etc.), abandoned vehicles, potholes, snow removal, graffiti, speeding, housing code violations, illegal dumping, overgrown vegetation and others matters should be directed to the City for abatement and remediation. For instance, while not restricted in the Association's covenants, the Municipal Code restricts on-street parking: as per Sec. 36-161 of the Municipal Code, parking a vehicle "continuously in one place in the same block for a period in excess of 48 hour on any street" is considered a public nuisance and any such vehicle can be removed by City employees. You can report these issues to the City by calling the Mayor's Hotline at 402-444-5555. Our point is simply that the City is equipped to deal with many neighborhood issues more quickly and efficiently than the Association, and we urge you to use the City as a resource.

As always, if you have questions about any Board activities please email one of the Board members at the email addresses listed on the Association's website (www.applewoodhoa.com). Also, if you haven't already, please join Nextdoor, the private social network for the Association's residents (www.nextdoor.com). This is a great way to stay informed about Association news, advertise a small business, post classified notices, or simply introduce yourself to your neighbors. The Board wishes you all a safe and happy 2016.

Sincerely,

Applewood HOA Board of Directors

¹ See Phase II covenants at Article III(L) and Phase III covenants at Article III(M). The Phase I covenants are silent on this issue.