

Dear Southlake Neighbors,

November 1, 2009

Southlake Recreation Association ANNUAL MEETING
Thursday, DECEMBER 3, 2009
7:30 p.m. @ Southlake Recreation Center.
Registration: 7:00 to 7:30 p.m. for **SPECIAL DOOR PRIZES.**

On behalf of the 2009 Board of Directors, we thank all those fantastic Southlake neighbors who shared your ideas and talents this year. We hope you and your family didn't miss out on the energy and enthusiasm experienced in planning and hosting events like our Wine-Tasting evening, "Neon" Family Pool Night, Pool Parties, Concert on the Lawn, and October 31st "Howling Good Time". ***The Board of Directors is proposing a \$10 increase (less than \$1.00 a month) annual assessment, the first increase in three years to offset increasing expenses & to adequately fund Reserves. We ask that you review all the accomplished maintenance and improvements to your facility, and support the recommended 2010 Budget.***

Southlake Recreation Association belongs to you and your neighbors, but it goes beyond financial support. We need neighbors to "buy in" to the objectives and outcome of our recreational facility, and that cannot be accomplished without your input. Please do not hesitate to pick up the phone and share your proactive ideas and positive involvement with Board members and management.

RUN FOR YOUR BOARD OF DIRECTORS – Biographical Sketches can be obtained on our web site: www.southlakerecreation.com. Nominations for the Board may also be made at this time or from the floor at the Annual Meeting. Five (5) positions will be filled on the 2009 Board. This is your opportunity to have positive input in the maintenance and enhancement of your community. **Take a few minutes to read this material, consider joining the Board of Directors, serve on various community committees – and ATTEND YOUR ANNUAL MEETING! Call our Manager Lin Stauffer at 703-670-2376, with any questions or to volunteer.**

If you will NOT be able to attend, **PLEASE MAIL IN YOUR PROXY**, so we can obtain a quorum to hold a meeting. You can ensure your vote will be cast on issues by filling out the attached PROXY FORM. All Southlake Recreation homeowners who have paid their 2009 homeowners' assessments are in good standing and entitled to cast one vote per lot at the Annual Meeting. Full Power Proxy may be given to a neighbor or renter who shares your views. This will enable he/she to vote in your stead at the meeting – or you may mail your completed PROXY (along with your official Ballot Forms for 2010 Election and Budget) to: Secretary, SRA, P. O. Box 263, Dumfries, VA 22026. Proxies must be received prior to Call to Order at the Annual Meeting. The date of your proxy is your validation date. You may change your proxy any time up until 7:30 p.m., **Thursday, DECEMBER 3, 2009.**

On behalf of the Board, we wish your families a Happy and Healthy Thanksgiving Season and hope to see you on December 3 rd !!!

2009 Board of Directors

Daniel Schwemmer, Chairman
Anthony E. Brannan, President
Lynne DeWitt, Vice President
Robert K. Ronnell
Charles Brown

**DON'T MISS YOUR OPPORTUNITY TO
REGISTER FOR SPECIAL DOOR PRIZES !**

**SOUTHLAKE RECREATION ASSOCIATION
ANNUAL MEETING**

Thursday, DECEMBER 3, 2009

**Southlake Recreation Center
5070 Higgins Drive
Dumfries, VA 22026**

AGENDA

- 7:00 – 7:30 p.m. *REGISTRATION [Refreshments]*
■ *Validation of Proxies*
- 7:30 p.m. *CALL TO ORDER*
■ *Declaration of a Quorum*
- I. *Approval 2008 Annual Meeting Minutes*
- II. *Chairman Opening Remarks*
 Daniel J. Schwemmer
- III. *INTRODUCTION OF CANDIDATES
FOR BOARD OF DIRECTORS*
■ *Nominees from the Floor*
 Chair, Nominations Committee
 Charles Brown
■ *Election of Board of Directors*
- IV. *TREASURER'S REPORT*
■ *Proposed 2010 Budget*
■ *Vote on Proposed 2010 Budget*
- V. *COMMITTEE REPORTS*
■ *Social Events*
- VI. ***HOMEOWNERS FORUM***
- 9:30 p.m. *Adjournment*

SOUTHLAKE RECREATION ASSOCIATION

OFFICIAL FULL POWER PROXY

To be filled out prior to the Call to Order of the Annual Homeowners Meeting of the Southlake Recreation Association, **Thursday, DECEMBER 3, 2009**, at 7:30 p.m. at the Southlake Recreation Center, 5070 Higgins Drive, Dumfries, VA 22026.

I, _____

The undersigned, hereby authorize _____
(Proxy Holder's name or "**Secretary, SRA**")

to be my true and lawful Proxy, to represent my interests at the Annual Meeting of the Southlake Recreation Association (SRA) on **December 3, 2009**, at Southlake Recreation Center, 5070 Higgins Drive, Dumfries, VA 22026, at 7:30 p.m., and to cast my vote in such business as may be conducted during the meeting or any adjournment(s) thereof and further hereby grant unto my Proxy full power at his/her discretion to exercise my vote on any and all items or issues presented at the aforesaid meeting, hereby confirming all that my Proxy may do.

As a member of the Southlake Recreation Association, in good standing, I hereby execute this Proxy.

Address

Lot # and Section

Witness

Signature

Date

This Proxy allows the holder to vote as the proxy holder chooses at the meeting.

*Proxy and Ballots must be received at SRA, P. O. Box 263, Dumfries, VA 22026, before Call to Order at 7:30 p.m., **Thursday, DECEMBER 3, 2009**. If homeowner decides to attend the Board of Directors meeting, Proxy and Ballots will be rescinded, upon validation. Proxy dated closest to the date of the Annual Meeting will be considered valid. All others will be rescinded.*

**SOUTHLAKE RECREATION ASSOCIATION
ANNUAL MEETING**

**December 3, 2009
Southlake Recreation Center
5070 Higgins Drive
Dumfries, VA 22026
7:30 p.m.**

**OFFICIAL BALLOT FORM
2010 BUDGET**

I (approve/disapprove) an Annual 2010 Southlake Recreation Association Budget of **\$228 per unit**, for the 2010 Calendar Year, as proposed and approved by the Southlake Recreation Association Board of Directors.

[Please check one]

APPROVE

DISAPPROVE

Explanatory Statement:

The Proposed Budget (See itemized breakdown of Proposed 2010 Southlake Recreation Association Budget) has been approved by the Board of Directors.

Since the initial incorporation of the Southlake Recreation Association, the Board of Directors has opted to subsidize the income by promoting seasonal pool memberships to non-members. This decision is made on an annual basis and has allowed the Board to maintain a conservatively low annual assessment over the past 19 years. In 2009, 179 seasonal pool memberships accrued revenues of \$76,650, and daily pool guest passes \$4,762 income.

It is the intention of the Board of Directors to establish a 2010 annual budget, based on the current and future needs of the Association. Most importantly, RESERVES have been accrued in a Replacement Fund. Maintaining a replacement fund provides for the planned replacement of major items. (The Audit and Accounting Guide, prepared by the American Institute of Certified Public Accountants for community associations, refers to typical replacement items as asphalt paving, concrete sidewalks, curb and gutter, roofs, central heating and cooling plants, pools, tennis courts, etc.) Successfully-implemented reserve funding is critical to Southlake's economic health and the preservation of the community. Maintaining a replacement fund meets legal, fiduciary and professional requirements of secondary mortgage markets, i.e. VA, FHA, etc., equalizes the contributions of current and past owners, minimizes the need for special assessments, and enhances inherent resale values.

There are 629 homes paying full assessments. The Board of Directors has approved a 2010 Budget, with a 5% raise in the annual assessment (less than \$1. a month).

In 1998, the Board of Directors proposed, and the membership passed, a ten percent (10%) increase, the first increase in over eight years. In 1999 through 2001 & 2004, the Board proposed a 5% increase & in 2007 a 10% increase to adapt to increases in the Consumer Price Index and to prepare for the possibility that eventually Southlake will no longer be able to sell outside seasonal pool memberships. Pool population has always been a consideration in the Board's annual decision-making process. In the interim, our facility is well-maintained, improvements made and Replacement Fund Reserves are funded to meet long-term needs.

WE WELCOME YOUR INPUT.

SOUTHLAKE RECREATION ASSOCIATION

BUDGET NARRATIVE

INCOME

- **Assessment Income** – Homeowner assessment income is derived from the collection of 2009 annual assessments of \$218/per lot, based on 629 lots.
- **Seasonal Pool Passes** – SRA subsidizes income with the sale of pool memberships (179 families @ \$425.00 per family).
- **Clubhouse Classes** – SRA currently promotes exercise, dance, art and music classes.
- **Clubhouse Rentals** – Clubhouse is rented to Church and non-profit groups, and private homeowner functions.
- **Legal Income** – This line item is based on collected attorney fees from past-due assessment accounts.
- **Late Fees** – This line item is based on outstanding and anticipated late fee payments.
- **Interest Income** – All of the Association's accounts are maintained in federally-insured banking institutions that pay interest on all monies accumulated. Interest varies from 4.17-5.30%.

EXPENSES - Administrative

- **Management** – The management agreement calls for financial, operational and administrative services with Stauffer Management.
- **Legal** – SRA employs a law firm to conduct its legal matters, including the collection of past-due accounts, opinion letters and other general matters concerning the community.
- **Audit & Tax Preparation** – SRA employs an independent CPA firm for the preparation of an annual audit, Federal and State taxes.
- **Taxes and Licenses** – The Commonwealth of Virginia requires annual incorporation and professional filings.
- **Insurance** – SRA is required to maintain insurance for general liability, common area elements and Directors and Officers insurance coverage.
- **Office Supplies** - SRA absorbs costs for the purchase of pool passes, laminates, letterhead, checks, envelopes, laser cartridges and pool office supplies used on behalf of the Board of Directors, and in mailings to homeowners.
- **Printing** – SRA absorbs costs for copying materials for distribution to the Board of Directors and residents.
- **Postage** – SRA absorbs costs for mailings to Board of Directors, residents, creditors and subcontractors.
- **Dues & Subscriptions** – SRA is a member of Community Associations Institute (CAI), the national association representing homeowners associations, furnishing member discounts on insurance, publications, periodicals and educational conferences and programs.

EXPENSES – Operating

- **Landscaping** – SRA contracts with an independent landscaping firm for the mowing and landscape care of common areas.
- **Clubhouse maintenance & supplies** – Includes interior painting and renovation, exterior painting and wood replacement, janitorial services, paper supplies, lock repairs, carpet cleaning, and equipment replacement. The Association added new tables and chairs.
- **Common Area Maintenance** – In 2005 Iron fencing was stabilized, repaired and repainted. Repairs included over \$4,000 in electrical and fuse box repairs to vandalized street lights and air conditioning units. (Insurance funded \$2,234.29 of the electrical costs.) 2006 expenses included tile flooring repairs, \$3,790 landscaping improvements, \$6,522 in vandalized street lights (Insurance funded \$5,470 of the electrical costs.) Vandalization and graffiti to playgrounds and surrounds necessitated cleaning, power washing and repairs to vandalized play grounds and basketball court fencing and baskets. 2007 expenses include playground safety surfacing, basketball backboard replacement, painting & power washing, softball field resurfacing, replaced vandalized streetlights. 2008 expenses included \$5,210 vandalized equip; \$5,872 vandalized streetlights (Insurance compensation \$2,631); sign repairs/painting, Playground Fibar safe surfacing, vandalism replacement: Don's John, fencing, gates, picnic tables.
- **Pool Contract** – SRA contracts with Virginia Pool Management for pool maintenance and personnel.
- **Pool Maintenance and supplies** – Includes retractable awnings, iron fencing maintenance and painting, lock repairs, paper & chemical supplies, rescue tubes, permits, backflow prevention, inspections, electrical and plumbing repairs. The Association added new commercial strap lounges, tables and umbrellas. The Board authorized \$2,500 baby pool whitecoating in 2006; ladder boot, pool pump and main drain replacement.
- **Snow Removal** – SRA contracts for snow removal from turn-around, limited parking spaces and sidewalks.
- **Community Events** – SRA encourages community events which proactively impact on the quality of our community environment and the value of our homes. 2008 Events included a Wine Tasting Evening, "Pool Opening", "Schools Out", "Family Neon Pool Night" and other pool events, Tennis, Aerobics and Swim Lessons, Concert on the Lawn, Fall Halloween "Howling Good Time", and Holiday Event.

RESERVES

The Board of Directors feels it their fiduciary duty to fund the community Reserve Fund to provide monies for future replacement of common property. Reserve Funding is intended as the primary vehicle in meeting the financial liabilities associated with long-term needs. Successfully-implemented reserve funding is critical to the economic health and the preservation of the Recreation facility. The Board of Directors authorized a Reserve Study, disclosing that a minimum of \$26,000 should be allocated annually to meet future capital expenditures. In 2006, the Board of Directors authorized \$10,000 in tennis court resurfacing, \$2,070 parking lot lighting, and \$4,334 NOVEC pole lighting around the playground & path areas. In 2007, Kitchen appliances replacement, Clubhouse carpet installation, Basketball court resurfacing and installation of streetlights; 2008 parking lot paving; 2009 Kitchen Renovation; Whitecoat pool, install dual main drains, tiles, caulking, pool steps, lights.

RESERVES ACCOUNT (As of 12/31/08): \$300,147.

SOUTHLAKE neighbors,

Attached is a Bio form to fill a seat on the Board of Directors. The Nominating Committee encourages you to consider placing your name on the ballot, to fill unexpired Board terms.

Southlake Recreation Association has been fortunate to profit from a dedicated, elected five-member Board of Directors. The high degree of interest shown indicates that we have extremely knowledgeable and talented resources in our community. Special thanks to all our Board members, for their countless contributions. Recognition to Bob Ronnell for his web site expertise, and best wishes as he leaves the Board of Directors.

...Nominations Committee

**SOUTHLAKE RECREATION ASSOCIATION
CANDIDATE FOR THE 2010 BOARD OF DIRECTORS**

NAME:

ADDRESS: _____ **PHONE:** _____

HOW LONG HAVE YOU BEEN A Southlake RESIDENT? _____.

Have you had any Homeowners Association or Committee experience?

What are your goals as a potential Board of Directors member?

Will you be able to complete your term and can you commit your time to be an effective Board member? _____

Give a brief statement on what you feel you can contribute to our community and what improvements you may wish to implement.

Thank you. Questions? Or FAX to: 703-670-2376. Bio forms available @

www.SouthlakeRecreation.com or email to stauffermgmt@verizon.net.

Deposit your Bio form in the Lock Box at the Southlake Recreation entrance or

Mail your Bio. form to:

Southlake Recreation Association

P. O. Box 263

Dumfries, VA 22026

**SOUTHLAKE RECREATION ASSOCIATION
ANNUAL MEETING**

**DECEMBER 3, 2009
Southlake Recreation Center
5070 Higgins Drive
Dumfries, VA 22026**

**Registration : 7:00 p.m.
Call To Order: 7:30 p.m.**

**OFFICIAL BALLOT FORM
BOARD OF DIRECTORS**

This year there will be five (5) vacancies to be filled on the five-member SRA Board of Directors. Each residence may cast only one (1) vote for each vacancy.
No cumulative voting is allowed.

- | | | | |
|----|---------------------------|----------------------------------|--------------------------|
| 1. | Charles Brown | 15713 Renton Court | <input type="checkbox"/> |
| 2. | Anthony E. Brannan | 15673 Renton Court | <input type="checkbox"/> |
| 3. | Lynne DeWitt | 15581 Winding Creek Drive | <input type="checkbox"/> |
| 4. | Daniel Schwemmer | 15697 Renton Court | <input type="checkbox"/> |
| 5. | Garth Miller | 15705 Renton Court | <input type="checkbox"/> |

Write In Nominees:

- | | | | |
|----|-------|-------|--------------------------|
| 6. | _____ | _____ | <input type="checkbox"/> |
| 7. | _____ | _____ | <input type="checkbox"/> |

Check only five votes.
Total number of votes must
total five (5) or less: _____

This ballot will not be counted if the total votes cast exceeds the number authorized.

Additional nominations may be made from the floor during the Annual meeting.