



**Walden on Lake Houston
HOA Presentation
TEI WLH Management**

April 22, 2026



Introduction

- Founded in 1983 Walden on Lake Houston is a Deed restricted residential community located in Northeast Houston Texas.
- The site consists of a 160-acre golf course built in 1983, which includes a 27,000 square foot clubhouse, a 6,500 square foot wellness center and swimming complex, a 2,500 square foot recreation building, and a 700 square foot swimming pool equipment building.
- Additionally, there is a 6,000 square foot maintenance building and a 4,800 square foot maintenance storage shed built in 1983.
- The community has approximately 2,400 homes all of which are required to pay approximately \$104 per month in dues for the use of the clubhouse, exercise facility, and pool areas.



Deal Structure

- CFC WLH LLC (501 c 3) purchased the facilities in October 2024.
- Greater Texas Cultural Education Facilities Finance Corporation - Issuer
- CFC – WLH LLC will be the borrower.
- CFC entered into agreement with Asset Manager TEI WLH Management LLC and the HOA to manage the property, where all dues will be pledged as collateral for phase 1 debt payments.
- Improvements and new equipment to date spend is \$1.53 million.
- \$400,000 in cash flow was infused from bonds to pay for on-going operations.
- TEI Development has invested an additional \$300,000, scalable to \$500,000, which will be paid back over next five years (all was used to pay current expenses).
- Once bonds are paid (assume 25 years), HOA will purchase club for \$10.
- Advisory Board was created for approvals and to serve as community liaisons.
- Annual budgets for operations and capital projects to be approved by Advvsory Board and CFC and submitted to HOA.
- Asset Manager reports monthly to Advisory Board.

Deal Points



Background

- Over the course of the last 20 years the club has been sold three times.
- Due to the fact the monthly dues and additional revenues generate over \$4,000,000 annually, the owners have cash flowed, but no funds were used to make improvements.
- Monthly dues are controlled by the Covenants, Conditions, and Restrictions (CCRs) as of June 10, 1982, with annual increases subject to the Consumer Price Index (Houston, Texas). (There was no increase to assessments prior to 2025 for last three years).
- All operations and payroll expenses will be funded out of the current revenue streams; however, all additional funds are required to service the debt.
- Due to limited investment, the current facilities were in need of major repair.
- Without past due balances we are collecting, current cash flows are not projected to cover ongoing expenses without future assessments.
- Bonds require certain reserves and capital accounts, all of which have been funded by past due balances in 2025.

Background



Budget - 2026

MANAGEMENT INCOME STATEMENT

Walden

2026 Budget

Description	Budget Comparisons				
	BGT 2026	2025	VAR	2024	VAR
P&L SUMMARY					
TOTAL REVENUES	4,807,591	4,352,573	455,018	3,745,589	1,062,002
TOTAL MISCELLANEOUS INCOME	414,780	494,800	(80,020)	311,813	102,967
TOTAL COST OF SALES	342,122	346,643	4,521	266,081	(76,040)
TOTAL OTHER EXPENSES	1,854,710	2,096,293	241,583	1,729,913	(124,796)
TOTAL PAYROLL	1,384,568	1,298,397	(86,171)	1,105,250	(279,318)
TOTAL PAYROLL RELATED EXPENSES	258,144	200,875	(57,269)	196,659	(61,484)
GOP	1,382,828	905,164	477,664	759,498	623,330
GOP%	26.5%	18.7%	7.8%	18.7%	7.8%
MANAGEMENT FEES	274,027	272,083	(1,944)	154,896	(119,131)
CORPORATE / OTHER EXPENSE	-	4,379	4,379	320,200	320,200
EBITDA	1,108,801	628,701	480,100	284,403	824,399
INTEREST EXPENSE, NET	608,494	612,855	4,360	106,142	(502,352)
PRINCIPLE PAYMENTS	291,400	340,749	(49,349)	78,976	212,424
CAPITAL RESERVE	156,671	-	-	-	-
UNCOLLECTED RECEIVABLES	301,265	488,028	-	-	-
ADJUSTED CASHFLOW	(249,029)	(812,930)	563,901	99,285	(348,314)
DEPRECIATION & AMORTIZATION	-	380,232	380,232	71,201	71,201
LOAN COST & LOAN COST AMORTIZATION	-	46,141	46,141	10,254	10,254
INCOME TAXES	-	-	-	-	-
NET INCOME	500,307	(410,526)	910,832	(232,766)	733,072

Budget



Budget vs Actual Q1

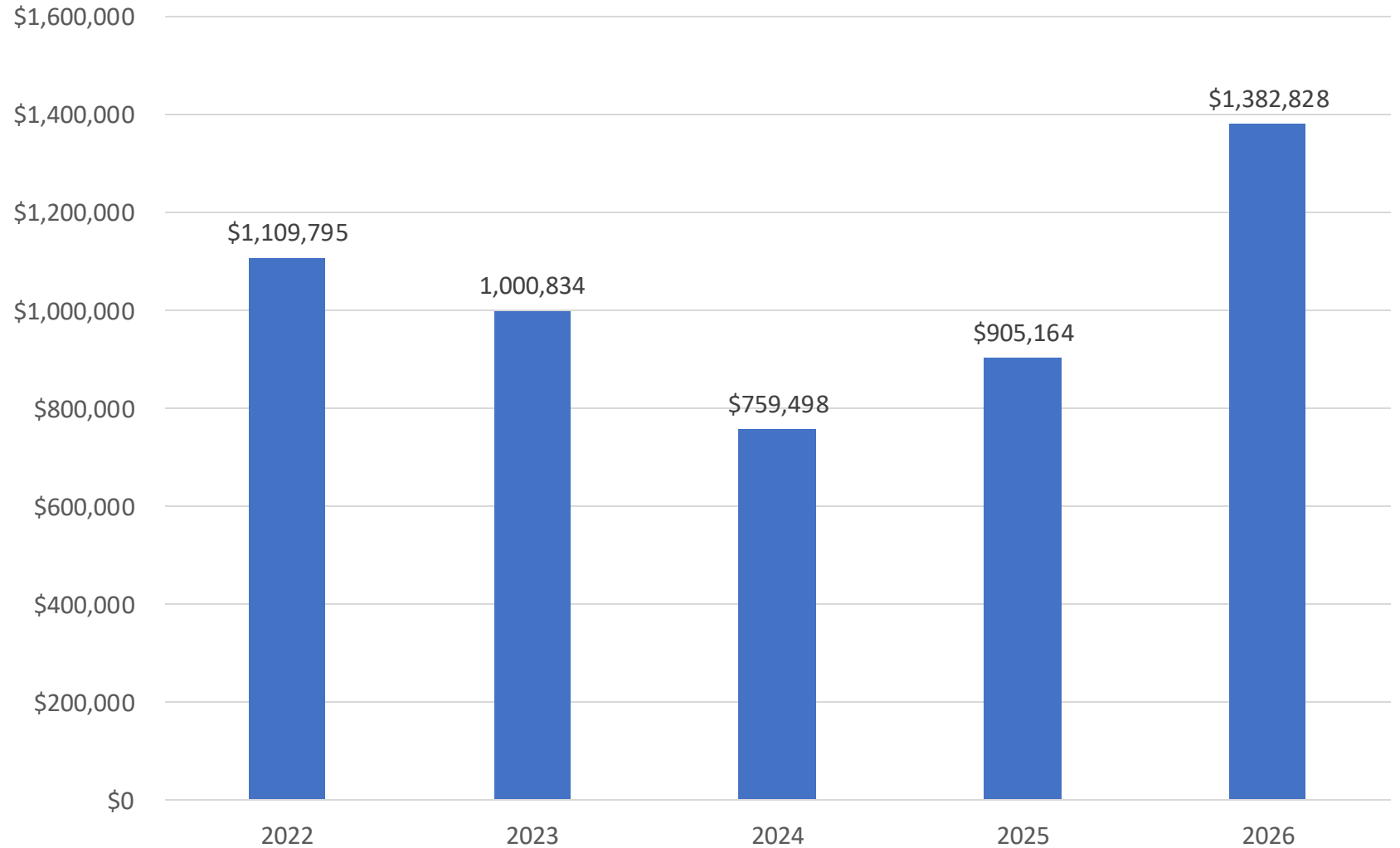
Budget

	Actual	Budget	Variance	Prior Yr	Summary	Year To Date 03/31/2026 Actual	Budget	Variance	Prior Yr	Variance PY
P&L SUMMARY										
TOTAL REVENUES	440,467	388,796	51,671	368,333	72,134.00	1,225,944	1,103,279	122,665	1,007,583	218,361.00
TOTAL MISCELLANEOUS INCOME	72,565	54,086	18,479	27,547	45,018.00	279,236	162,258	116,978	77,951	201,285.00
TOTAL COST OF SALES	38,052	29,343	8,708	37,663	388.00	93,863	76,328	17,535	78,092	15,770.00
TOTAL OPERATING EXPENSES	175,182	169,107	6,075	174,431	752.00	532,436	427,388	105,049	439,313	93,124.00
TOTAL PAYROLL	133,489	119,443	14,046	104,681	28,807.00	357,058	333,589	23,468	280,431	76,626.00
TOTAL PAYROLL RELATED	15,915	22,179	(6,264)	19,523	(3,608.00)	58,524	65,263	(6,738)	57,362	1,162.00
GOP	150,394	102,810	47,584	59,582	90,812.00	463,299	362,969	100,330	230,336	232,963.00
RENT	0	0	0	0	0.00	0	0	0	0	0.00
8801 - Management Fees	12,360	22,836	(10,475)	40,000	(27,640.00)	34,721	68,508	(33,787)	60,000	(25,279.00)
8810 - Management Fees - Other	10,000	0	10,000	0	10,000.00	32,360	0	32,360	0	32,361.00
Total Management Fees	22,360	22,836	(475)	40,000	(17,640.00)	67,081	68,508	(1,427)	60,000	7,082.00
EBITDA	128,034	79,974	48,060	19,582	108,451.00	396,218	294,461	101,756	170,336	225,882.00
DEPRECIATION & AMORTIZATION	47,855	0	47,855	19,635	28,220.00	88,190	0	88,190	94,875	(6,685.00)
LEASE INTEREST EXPENSE	382	381	0	136	246.00	1,227	1,227	0	415	812.00
INTEREST INCOME & EXPENSE	62,383	50,949	11,434	55,975	6,408.00	172,677	152,847	19,830	166,383	6,294.00
FEDERAL AND STATE INCOME TAX	0	0	0	0	0.00	0	0	0	0	0.00
NET INCOME	17,414	28,644	(11,230)	(56,164)	73,578.00	134,124	140,387	(6,264)	(91,337)	225,461.00



Budget

GOP 5-Year Trend



Budget



Accounts Receivable

AR

- All AR was assigned to owners upon sale of the Club.
- Budget includes a 10% non-collection rate for 2026.
- Spurlock and Associates was hired to help collect bad debt and large past due payments.
- Foreclosure firm, Lewis Brisbois, hired in April 2026 to start the process per the Bond document requirements.
- Collection letters have been sent to all members who are 90+ days past due.
- Liens and Foreclosures are in place and legal action continues for collections.
- 150 Liens in the past 60 days, 27 properties have begun the foreclosure process.
- Current AR is \$1,597,789, down from \$1,705,284 90 days ago.
- Club is owed \$1,291,820 from delinquent owners, down from \$1,581,772.



Potential Projects

Cap Ex

Projects To Complete	Date to Complete (Planned)	Budget
Replace Bulkhead on #18 & #10	4th Qtr 2026	\$2,000,000
Additional Clubhouse Remodel Décor	2nd Qtr 2026	\$3,478
Install Security Cameras Fitness & Tennis	2nd Qtr 2026	\$8,839
Lights for Bridge #10 / #18	2nd Qtr 2026	\$2,000
On Course Bathrooms - Floors	2nd Qtr 2026	\$2,200
Bunkers and Greens	4th Qtr 2026	\$500,000
Major Golf Course Upgrades/Fairway Repairs	3rd Qtr 2026	\$250,000
19th Hole	4th Qtr 2026	\$100,000
Upgrade Fitness Facility	2nd Qtr 2026	\$150,000
Total		\$3,016,517



Marketing

Key Objectives

Grow Membership, Increase Visibility, Boost Revenue, Enhance Member Experiences

Engagement

- 1) Member Mixers
- 2) Monthly Wine Tastings/Socials
- 3) Farmer's Market (x2 per month)
- 4) Local Charity/Chamber Partnerships

Communication & Print

- 1) Weekly E-mail Updates & Monthly Newsletter
- 2) Social Media Increase
- 3) Website & App Updates
- 4) Brochures, Business Cards, Golf Cart Ads, Calendars, etc

Dining & Beverage

- 1) Menu Redesign
- 2) Community Nacho Tuesdays
- 3) Food Specials

Golf & Sports

- 1) Golf Tournaments
- 2) Tennis Lessons and Clinics
- 3) Increased focus on Pickleball

Marketing



Marketing

Q1 2026

- 1) Intense Meta Marketing is in process for Google and Meta
- 2) GolfNOW began on 1/27/2026 to increase membership. Since Jan 1, increased Golf members by 15.
- 3) Increased banquet events bringing new eyes to the club.

Marketing



Current Membership by Category Resident / NR

Golf

154 / 62

Racquet

9 / 31

Social

2,020 / 11

Membership



Golf Course Report

Key Focuses

- 1) GolfNOW brought additional players to the course
- 2) Social members are starting to play more
- 3) Dedicated agronomy plan
- 4) Cart path repairs for safety
- 5) Fairways, Tees, and Greens are getting better with new maintenance repairs
- 6) New fleet of golf carts (65) will be arriving in June

Golf Update



Food and Beverage Report

Key Focuses

- 1) Brunch on weekends with "bottomless" mimosas
- 2) Increased specialty Bourbon selection
- 3) Themed events for May including Mother's Day Brunch, Rum Mixology Class, Wine Tasting, various food specials, Karaoke night and more!
- 4) Added table lamps and reservation feature on the app/website

F&B Update



Fitness and Racquet Report

Key Focuses

- 1) Renovation to begin on Wednesday 4/29 and expected to take 8 weeks. Timeline is flexible during the renovation.
- 2) Some equipment will be moved to the Aerobics room.
- 3) Aerobics classes will be relocated to the main clubhouse during the renovation.
- 4) Progress photos will be added to the website.



Questions

Questions?



Thank You

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Thank You