

## CAPITAL CONTRIBUTION

At the November 18, 2013, Board meeting, the Eaglewood Board of Directors Treasurer moved that all who purchase Eaglewood homes after February 28, 2014, be assessed a \$2,500 Capital Contribution. The Board approved the motion pending approval by the current owners at the February, 2014, Annual Meeting.

The motion was approved at the Annual meeting by 72% of those voting. In a separate vote, the Owners approved \$2,500 as the fee for the period including March 1, 2014, through February 28, 2015.

The motion reads as follows:

*An amendment to Article IV, Covenant for Common Area Expenses, will authorize the Homeowners to collect a Capital Contribution from all new purchasers of homes in Eaglewood, the amount of which will be determined annually by a vote of the membership at the Annual Meeting.*

*Should the Membership approve the proposed amendment to authorize a Capital Contribution?*

Passed

The accompanying question asks for approval of the amount to be included currently. This will not be included in the documents because the Owners will be asked to vote on a specific amount each year.

*I agree with the recommendation of the Board that the Capital Contribution March 1, 2014 – February 28, 2015, be \$2,500.*

Passed

At the November 16, 2015 a motion was made that the amount charged for Capital Contribution by new owners neither be changed nor put on the ballot at the Annual Meeting. The motion was seconded by Director Ebner and passed unanimously.

### RATIONALE:

Over the past several years, major renovations have been completed in the clubhouse and surrounding areas, including a renovated storm drain system and major improvements to the clubhouse, tennis courts, cart paths, and greens. No special assessments were imposed on the owners.

We are facing in the near future the relining of the water retention pond, resurfacing of the community swimming pool and surrounding deck, and replacement of the office/pro shop awning in addition to other maintenance projects. Our financial situation is stable at this time but these future expenses will be burdensome. In an effort to avoid special assessments, the current owners whose regular quarterly assessments and capital contributions have been the source of income used to complete the major improvements thus far, voted to charge \$2,500 per closing to be placed in the reserves and held for future improvements.

This fee is called a Capital Contribution and must be placed in the Reserve Account. The funds must be used for capital expenses and cannot be used for operating costs. A recent review of the five-year plan indicates that at least fifteen house closings are needed per year in order to accumulate enough money in the Reserve Account to pay for the upcoming capital expenditures as well as the repaving of the roads in 2022 without a special assessment.

December, 2015