

Capital Fund & Maintenance Chart explained

During the last HOA meeting in December, the Board advised the homeowners that the reserve fund was significantly underfunded for a community of our size and complexity. During that meeting, the Board committed to creating a plan to increase the reserve fund. Under our current By Laws and CC&Rs, the funding options are limited, and primarily consist of instituting a special assessment or significantly increasing the monthly assessments. Both of these options financially impact our current homeowners. The HOA Board has come up with another option that will address this issue and not require any out of pocket money from our current homeowners.

The recommendation of the Board is to create a \$1000 transfer fee that will be paid by the BUYER upon the sale of every home in our development. This transfer fee would be deposited into our reserve fund and only used for capital expenditures. This transfer fee would apply to the sale of all new homes by our developer and for the sale of all existing homes. Again, this transfer fee would be paid by the BUYER of the home.

The HOA receives many requests for repairs to our homes. The original CC&Rs has a checklist that explains what the HOA and the homeowner is responsible for. This checklist is somewhat vague and leaves questions for the homeowners. The Board felt that it was time to clarify the original checklist. The modified checklist lists all the components of the home and explains in further detail who is responsible for the repair.