



COVES PHASE II

PROPERTY OWNERS ASSOCIATION

www.covestwo.com – covestwo@gmail.com

FILE NUMBER RES 20-003

ESTABLISHMENT OF CAPITAL IMPROVEMENTS PROGRAM (CIP) POLICY

WHEREAS, Article VII, Section 7.1 states at such time as the Common Properties are conveyed or dedicated by the Developer/Declarant to the Association, the cost, maintenance, capital improvements, operation, taxes and other expenses incident to the Common Property, including all actions necessary to maintain compliance with local, state and federal codes and ordinances with respect to the Common Property, shall be the obligation of the Association and shall be paid from assessments against each Lot as herein provided and as stated within the Declaration. All other Common Properties designated by the Association shall also be maintained at the expense of the Association; and

WHEREAS, Article IX, Section 9.6 Special Assessments. In addition to the regular assessments authorized above, the Board may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of any capital improvements or easements within the Subdivision. The decision to make the special assessment and the amount of the special assessment shall be made in accordance with the Bylaws of the Association; and

WHEREAS, Owners have expressed interest in Capital Improvements; and

WHEREAS, No Capital Improvements have previously been proposed, nor has a policy been created to present, fund, or otherwise carry out capital improvements.

NOW THEREFOR, BE IT RESOLVED BY THE BOARD OF DIRECTORS:

Section 1: Capital Improvements within the subdivision shall be defined as “Any addition to, alteration of, or advanced maintenance exceeding normal maintenance costs of the subdivision Common Properties that meets all three of the following conditions: 1) The improvement adds value to the subdivision and/or Owners as a whole, which may include, but is not limited to advanced atypical maintenance along Common Property, for example between the front of curb to the back of the sidewalk for each and every lot; and 2) The improvement is a part of or becomes a part of the subdivision or is permanently affixed to the subdivision; and 3) The improvement will be a permanent installation.

Section 2: Approval of Capital Improvements Program Resolution items, to include conception, planning, dedications, and/or construction will be by the Board of Directors which shall have the authority to approve any resolution by simple majority.



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Section 3: Appeals will be considered if any five (5) owners sign a letter submitted to the Secretary within 7 days, in which the President shall call a Special Meeting of the POA within 30 additional days. An appeal shall require 23 Votes or more from the Owners to overturn the decision of the Board. The Board shall not sign any agreement or contract for 7 days following the approval of a Capital Improvements Program Resolution item to provide time for appeal.

Section 4: The Board of Directors does **not** have the authority to approve Capital Improvements spending that exceed a total of \$100 per year in special assessment fees per lot without a full vote of all owners, requiring 23 or more in favor.

Section 5: All Capital Improvements items shall be submitted to the Secretary or President by a Director in the form of a Resolution, and shall be listed on any regular meeting agenda, special meeting agenda, or annual POA meeting. Projects that would exceed costs as defined in Section 4 above shall only be considered in meetings of all owners which have a quorum of 23 owners present.

Section 6: All Owners shall have the ability to speak for a period not to exceed 5 minutes after a Capital Improvements (CIP) Resolution item is presented at any POA or Board of Directors meeting to speak for or against the CIP Resolution item. Directors may then speak to discuss said item.

Section 7: All approved costs associated with CIP Resolution items will be divided by the number of Lots (45) and added as a Special Assessment in addition to Regular Assessments to the annual dues invoice, subject to late fees and other actions as defined within the Covenants, Bylaws, or Resolutions.

Section 8: CIP Items shall not result in a taking of property by ownership nor easement from any property owner unless the taking or easement is a result of a joint written agreement with the Owner and the Board.

PASSED and APPROVED on 11/04/2020

APPROVED:

Kristifier Paxton, President

ATTEST:

Denise Corbin, Secretary