

## Policy Resolution

**Effective Date:** January 1, 2026

**Title:** Resolution Regarding Initial Capital Contributions Assessment Policy as authorized by the **AMENDED AND RESTATED DECLARATION OF COVENANTS, AND RESTRICTIONS FOR AVENBURY LAKES, ARTICLE VI-COVENANT FOR MAINTENANCE AND OTHER ASSESSMENTS, SECTION 5.**

*WHEREAS*, The Board of Directors for Avenbury Lakes Homeowners Association, Inc. is responsible for the financial well-being of the Association and the maintenance and enhancement of the community's assets and facilities.

*WHEREAS*, Maintaining adequate reserve funds is essential for funding future capital assets, repairs and replacements and preventing unpredictable special assessments;

*WHEREAS*, Establishing a policy for capital contributions ensures a consistent and predictable funding mechanism for the Association's reserve fund;

*NOW, THEREFORE, BE IT RESOLVED*, That the Board on the Association's behalf hereby establishes a policy for the initial capital contribution assessment referenced in Declaration Article VI, Section 5 to be collected from each purchaser on a lot at the time of closing to supplement the Association's reserve fund;

*FURTHER RESOLVED*, That the capital contribution shall be set at an amount equal to three (3) months' worth of the annual assessment amount in effect for the year that closing occurs, for the Lot being acquired as otherwise determined by the Board of Directors in accordance with the Association's governing documents and applicable laws.

*FURTHER RESOLVED*, That the income from each initial capital contribution assessment will be allocated to the Association's reserve fund to be used for future capital asset repair and replacement, such as but not limited to, roof replacement, pavement replacement, and amenity upgrades.

*FURTHER RESOLVED*, That the Board of Directors shall have the authority to adjust the amount of the initial capital contribution assessment as necessary, based on reserve study recommendations and anticipated capital needs, in accordance with the Association's governing documents and applicable laws;

**FURTHER RESOLVED**, That this policy shall be communicated to all unit owners/lot owners in accordance with the Association's established communication procedures.

**FURTHER RESOLVED**, That the Board of Directors encourages all unit owners/lot owners to understand the importance of this capital contribution in maintaining the value and desirability of the community;

**SO RESOLVED BY THE BOARD OF DIRECTORS** on this, the 16<sup>th</sup> day of October in the year 2025.



Secretary of the Association



President of the Association

**Certification:**

I, Jeffrey L. Kristefeld, the duly appointed Corporate Secretary of Avenbury Lakes Homeowners Association, Inc, certify that the foregoing resolution was adopted by the Board of Directors on October 16, 2025 and remains in full force and effect.