Dear Homeowner,

Important Changes are needed!!

As the board, we are presenting a proposed amendment to the Magnolia Lakes Declarations of Restrictions and Protective Covenants, which involves revisions to Article V, specifically Sections 8 and 11. We will be actively engaging with residents to collect signatures via email (Please print and return signed copy to the office), canvasing the community and the office will have consent forms available for your convenience. Please be aware that the proposed amendment requires a two-thirds majority vote from our members for adoption.

The proposed amendment to Article V, Section 8, aims to increase the Working Capital Contribution Fund exclusively paid by new homeowners at time of purchase. Currently, the Capital Contribution fund stands at 2 months of the annual HOA Monthly Dues, a figure we consider outdated. Our proposal seeks to elevate this fund from 2 months to 3 months of the annual HOA Monthly Dues. We wish to reemphasis that this adjustment exclusively concerns new homeowners at time of purchase.

****Capital Contribution Fund: Currently the HOA Documents state the Capital Contribution is equal to two months of the quarterly payment. We are looking to increase the Capital Contribution to be equal to three months or what we pay quarterly for our fees. In doing so, we will be able to add to the voluntary reserves each year. This will not impact any current homeowner. This contribution is only collected from new homeowners at time of purchase.****

The proposed amendment to Article V, Section 11, seeks to fortify our ability to recuperate unpaid assessments during the transfer of title. This amendment is essential for safeguarding the financial stability and integrity of our community, ensuring that all assessments are paid.

Please refer to the above detailed explanation when giving written consent. Both of these proposed amendments will financially benefit our association.

Thank you,

Magnolia Board of Directors