
From: Information from Newell Property
Sent: Thursday, March 10, 2016 8:34 AM
Subject: KPMA- Message from the Board

Importance: High

Dear KPMA Residents:

In discussing the proxies to revise the KPMA documents, some residents have questioned the need or desirability of the Resale Capital Assessment contained in the new documents. So just to clarify, the purpose of the Resale Capital Assessment is to supplement the buildup of the KPMA reserve account. The only sources of income to support the future reserve requirements are; dues increases, assessments, and, if approved, the Resale Capital Assessment.

We now have a capital reserve study which, when combined with current programs, tells us we have 4 to 5 million dollars of capital activity that will be required for repairs and renovations over the next 3 to 8 years. Therefore, broken down on an individual basis, every owner in Kensington has impending capital liability of approximately \$8,500. Currently KPMA has a capital reserve of approximately \$500,000 that increases approximately \$90,000 per quarter or \$360,000 per year. So assuming no other capital needs than those in the current capital plan, in 8 years we would have \$3,380,000 of the required \$4 to \$5 million or on an individual basis, approximately \$1,095 to \$2,862 short per household.

If the Resale Capital Assessment, as proposed, is approved it would reduce the shortfall over time as approximately 60 homes a year turn over in Kensington. This would provide an additional \$685,000 over the next eight years or more than enough to cover the expenditures if only \$4 million is needed or leaving us just \$935,000 short if the full \$5 million were required. We believe a combination of these actions is the most practical approach and thus have proposed the Resale Capital Assessment as one tool in our arsenal. The proposed fee of \$1,428 is $\frac{3}{10}$ of 1% of a Kensington home sale of \$500,000. This $\frac{3}{10}$ of one percent is hardly a reason to reject this great community. It seems to us that this is a better alternative than raising fees to accumulate the capital as our fees affect all of us immediately and are also a source of comparison for potential home buyers.

Many communities in Naples have Resale Capital Assessments and our informal research indicates the following is a sample of what similar communities are charging:

Quail Creek Village - \$3,000

Longshore Lake - \$2,500
Mediterra - \$5,000
Collier's Reserve - \$2,500
Bay Colony - \$3,500
Heritage Bay - \$2,000
Saturnia Lakes - \$1,000
Quarry - \$1,500
Pelican Marsh - \$3,000
Pelican Bay - \$7,000

If you have already submitted a proxy to approve or disapprove the documents being revised and the Resale Capital Assessment was the primary reason for your “for or against” decision, and, if after better understanding the reason for including it in the revised documents you would like to change your submission, **you can submit a new proxy (which is perfectly in your right as long as the vote has not been called and it has not at this time been called). If you voted AGAINST and want to change to FOR, just submit a new proxy marked FOR and vice versa.** Contact any Board member or reply to this e-mail for a new proxy form.

Best regards,

Your KPMA Board of Directors