

## Roadmap for ADDITION OF A NEW CAPITAL ASSET

### SCOPE/PURPOSE:

This procedure describes the basic process to add a new asset to Esperanza Estates. It is intended to provide an open and transparent process with a means to discuss, modify and approve new assets and all ongoing or future requirements of such assets.

### DEFINITIONS:

For the purposes of this roadmap, any physical thing with an original cost of \$1,000 or more and useful life of 3 years or more shall be considered an **asset**.

A **discretionary asset** is one that shall improve the esthetics or quality of life in Esperanza Estates, but one which is not required to meet any safety, health, regulatory or environmental requirements.

A **non-discretionary asset** is a new or replacement asset which is required to meet any safety, health, regulatory or environmental requirement.

### ASSET ADDITION STEPS:

1. A simple majority of a quorum of EE Board members may, at either a regular or announced open meeting, approve addition of a new asset.
2. Any member of the EE HOA can suggest and advocate the addition of an asset. This individual or group of individuals will be the **sponsor** of the asset.
3. The first step is for the sponsor to describe the proposed asset in as much as detail as possible. A preliminary review will be made by the Board of Directors (BOD), with any input from attending HOA members, to confirm the asset's consistency with the rules, regulations and architectural standards of the HOA. This presentation will be held in an open board meeting. Approval of the concept will be granted at that time or additional clarification requested.
4. With a preliminary review completed, the sponsor will hold an open meeting to discuss and refine the asset. Purpose of the meeting will be to solicit modifications, improvements and general support for the asset addition. The meeting shall be announced in the MMM with at least a 4 day

notice. If the expected cost of the asset is greater than \$15,000, at least two review meetings should be held.

5. The sponsor will secure estimates for the cost of the asset, as previously approved in concept, in addition to details of how the asset will be built or acquired.

6. The sponsor will propose the funding source for the asset.

7. A final review of the asset addition will be made at a BOD meeting with advance notice of the review being made to EE members.

Included for the review will be:

- \*A complete description of the asset
- \*Costs for the asset addition including any volunteer requirements
- \*Source of asset funding
- \*Estimate of future costs and useful life of the asset
- \*Timing for start and completion of the asset addition
- \*Individual responsible to coordinate the asset addition.

8. The BOD can approve, reject, or request clarification by open vote of a simple majority of a quorum of directors. The vote will be recorded in the meeting minutes.

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