

MEMO TO MEMBERS FROM STEPEN PHILBRICK

There currently is some confusion about the various categories of membership in the Carriage Club and their respective rights and privileges. While this may seem like a boring subject for those of you who would just like to enjoy the pool, we have some important financial decisions coming up this year, and we won't be able to make fair and informed decisions if we don't understand our membership structure. I would like to share with you my understanding of the different categories of membership.

History

The Carriage Club was formed in 1967 at the same time this subdivision was built. As an additional inducement to move into this area, the developers held aside two house lots and built a swimming pool, clubhouse, and tennis courts. These facilities were reserved for the exclusive use of the purchasers of homes located in what was called "Buena Vista Estates". Families that bought homes during the original construction phase of the development were able to join the club at the time of the purchase of their home. These rights could be passed on to subsequent buyers of the property at no additional cost, as long as the family remained current on its annual dues payments. Families that bought lots and built homes in subsequent years had the right to purchase membership rights in the Club for \$400.00 (in addition to annual dues).

Today's value of that initial investment is not easily calculated, in part because the owners have enjoyed membership rights over the intervening years, so this "investment" is not like money in a bank account. In addition, these membership rights include some

ownership rights to the property, although deed restrictions make the value of these rights murky, at best. With these caveats in mind, I will simply point out that \$400.00 invested in 1967 at 7% per year would have grown to almost \$2200 today.



Class II members

In the early days of the Club, only families living in homes built on Buena Vista lots had the right to become members. As time went on, the age make-up of the original members changed and many of them no longer desired membership in the Club. The membership dwindled and the Club began to face financial concerns. As a result, the Club decided to expand the boundaries of eligible members beyond the original Buena Vista properties. The Board specified a number of streets just beyond the original boundaries. Families living in homes in these new areas could apply to become members. Members from these areas were designated Class II members while members from the original boundaries were designated Class I members. For some time the annual dues for Class II members were higher than Class I members, at least in part to reflect the fact that these members had never paid the \$400.00 amount paid by Class I members. On the other hand, while these members could enjoy the facilities in the same way as Class I members, they did not have any ownership rights. In addition, the Board had the legal authority to redefine the eligible boundaries of membership to exclude Class II members, but could never exclude any areas as originally defined by the Buena