

Letter re Capital Contribution Corrective Amendment #1 to RAP Declaration

Dear Fellow Residents:

When we purchased our homes, you may remember that we each paid a fee to the Association of \$1,200 at settlement, called Initial Capital Contribution fee, commonly known as the Resale Fee. This fee is charged to the purchaser each time a property in RAP is sold and is deposited in the Association's Reserves account. This is in accordance with our Declaration Article XIV Section 14.02. While the amount of the fee is stated in Section 14.02 to be \$1,200, the Article also gives the Executive Committee (the Board) authority to change the amount of the fee without amending the Declaration. The amount of the fee has never been changed by the Executive Committee since the inception of the Association.

During a review of this section of our Declaration, our legal counsel advised us that this section of the Declaration contained certain deficiencies and/or ambiguities and should be amended to remove those deficiencies. Such a corrective Amendment may be adopted by the Board without the approval of the Unit Owners upon receipt of an opinion from independent counsel to the effect that the proposed amendment is permitted, in accordance with the PA Uniform Planned Community Act.

Accordingly, the Board directed our counsel to draft such an amendment. This was completed, approved by the Board at its regular meeting on April 30, 2025, signed by Doug Loutzenhiser, and recorded with Montgomery County by our counsel, as required by law.

The Board, also at its regular meeting on April 30, 2025, approved a motion which established the amount of the Capital Contribution fee to be 5 times the monthly Association fee from the year preceding the sale of the property. The impact of this change is to increase the Capital Contribution fee from the fixed \$1,200 to \$1,675 (i.e., 5 x \$335), currently. Again, this fee is paid by the Buyer at settlement. There is no cost to the seller. Going forward the fee will automatically adjust based on any change in our monthly Association fee, thereby simplifying the determination of the fee, without further action by the Board. Obviously, the Board may re-visit this fee calculation in the future, should it be necessary to do so.

Attached to this letter is a copy of the recorded corrective amendment, for your reading enjoyment.

Please forward any questions that you may have to Jeff Bevan via email, and he will contact the Board for an answer.

Regency at Providence Executive Board