

ARBOR ROSE COMMUNITY ASSOCIATION

CAPITAL RESERVE FEE RESOLUTION

The Executive Board of the Arbor Rose Community Association makes this Resolution on this 9th day of March, 2020.

Background:

The Executive Board of the Arbor Rose Community Association (the "Executive Board") has been given "all of the duties and powers granted to the Executive Board" by the Pennsylvania Planned Community Act, 68 Pa.C.S. §5101 et seq.(the "Act") in Section 5.9 of the Declaration. The Executive Board acts on behalf of the Association.

The Executive Board must act in the best interests of the entire Arbor Rose Community as a whole. One of the primary functions of the Executive Board is to provide for the future maintenance, repair and replacement of the Common Elements of the Community. Providing an adequate capital reserve fund, to provide for major repairs and replacements, is in the best interests of the entire Association and all Unit Owners.

The Act has been amended by 2003 H.B. 1331 to give the Executive Board additional powers to manage the Association for the benefit of all Unit Owners. Included in these powers is the ability to impose a capital improvement fee upon each resale or transfer of a Unit.

NOW BE IT RESOLVED, in accordance with Section 5302(a) (12) of the Act, a majority of the members of the Executive Board approve the following policy:

1. Upon each transfer or resale of a Unit after the effective date of this policy, the Association shall collect a capital improvement fee (the 'Capital Improvement Fee') at the settlement of the Unit.
2. The Capital Improvement Fee will equal twelve (12) months of the general Common Expense Assessment allocated to the Unit. The Capital Improvement Fee will not be prorated based upon when the Unit is transferred. A full twelve (12) months will be due at settlement.
3. The Capital Improvement Fee is not refundable upon the resale or transfer of the Unit. The Capital Improvement Fee is not credited towards the general Common Expense

ARBOR ROSE COMMUNITY ASSOCIATION

assessments attributable to the Unit.

4. The Capital Improvement Fee will be the responsibility of the party purchasing or otherwise receiving the Unit. The Unit seller and buyer may allocate the Capital Improvement Fee at settlement as they may agree. If the Capital Improvement Fee is not paid at settlement, however, it shall become collectible as an assessment against the Unit, due on the day the buyer becomes the Unit Owner.
5. Capital Improvement Fees must be kept in a separate capital account. They may be used only for new capital improvements or replacement or improvement of existing Common Elements. The Capital Improvement Fees may not be used for general operation, maintenance or other purposes.
6. No Capital Improvement Fees may be imposed on any of the following: any gratuitous transfer of a Unit between spouses, parent and child, siblings, grandparent and grandchild; any transfer of a Unit pursuant to a foreclosure sale or by a deed in lieu of foreclosure to a secured lending institution as defined by the Housing Finance Agency Law.
7. This Policy will take effect on this 9th day of March, 2020, without further action of the Executive Board.

NOW THEREFORE, this resolution has been approved by a majority of members of the Executive Board of the Arbor Rose Community Association on the day first written above.

ATTEST:



President



Treasurer



Secretary