

IMPORTANT NOTICE FROM THE BOARD OF DIRECTORS

Revised December 2, 2021

On July 12, 2021, pursuant to Article VII, Section 1(c) of the By-Laws, the Board of Directors met and discussed whether there should be a Capitalization Fee. A Capitalization Fee is a fee at the time of a sale of a home that is placed on the buyer. The Board reviewed various other homeowner associations and found that most if not all associations have a Capitalization Fee. As a result, the Board created a Capitalization Fee set at \$1,500.00, which is comparable to Capitalization Fees of other associations. On November 16, 2021 the Board revised the Capitalization Fee by identifying nine transfers where the Capitalization Fee will not apply. The exemptions were adapted from, and similar to, the exemptions in the Pennsylvania Transfer Tax Statutory Code. What this means to the Homeowners:

1) The Capitalization Fee shall be the sole responsibility of the buyer of a new home in Main Line. No Capitalization Fee will be applied until the home has been sold.

2) The revenue derived from the Capitalization Fees shall be placed in the various reserve funds and be used to help defer the costs and assist in paying for the upkeep of the Association's property.

3) The Capitalization Fee shall be levied for all sales on or after July 12, 2021. If a homeowner does not sell their home, there shall be no Capitalization Fee.

4) Almost all homeowner associations have a Capitalization Fee.

5) The four (4) most recent sales in Main Line had an average sale price of \$508,950.00. The new Capitalization Fee of \$1,500.00 for the average amount would be less than 0.3% (or less than 1/3 of a percent) of the sale.

6) If you are a homeowner, you will not have to pay a Capitalization Fee, because the buyer is responsible for the Capitalization Fee.

7) The Capitalization Fee shall not apply in the following situations:

(a) A written instrument transferring an interest in property pursuant to a foreclosure of a mortgage including a written instrument given in lieu of foreclosure of a mortgage. This exemption does not apply to a subsequent transfer of the foreclosed property by the entity that foreclosed on the mortgage.

- (b) A written instrument evidencing a lease or a transfer of a leasehold interest.
- (c) A conveyance creating a joint tenancy or tenancy by entireties between spouses or two or more persons if at least one of the persons already owns the property.
- (d) A conveyance from an individual to that individual's child, stepchild, adopted child, grandchild, step-grandchild, or adopted grandchild.
- (e) A judgment or order of a court ordering a transfer unless a specific monetary consideration is specified or ordered by the court for the transfer.
- (f) A written instrument used to straighten boundary lines if no monetary consideration is given.
- (g) A written instrument to confirm title already vested in a grantee to correct a flaw in title.
- (h) A written instrument in which the legal title does not pass to the grantee until the total consideration specified in the contract has been paid.
- (i) A conveyance to a trust if any of the above exemptions apply.

The actions by the Board have been thought out and effectuated for the good of Main Line. We thank the Homeowners who have entrusted the Board to take such action. If you have any questions or concerns, please contact Tom Farrell at 412-996-8910 or tom.farrell2@verizon.net.

Tom Farrell President