



MONTGOMERY VILLAGE FOUNDATION, INC.

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Notification of MVF By-Law change requiring new homebuyers to pay a Capital Contribution Fee (CCF), effective January 1, 2012

On September 19, 2011, the Montgomery Village Foundation Representatives passed a by-law amendment to approve addition of a Capital Contribution Fee. This amendment requires this fee to be charged to the buyer upon purchase of any property (private dwelling unit—home or condominium— or multi-family apartment complex) within Montgomery Village. The fee must be paid at settlement by the buyer of the property and is set at **1/10th of 1% of the gross selling price of the property**. The funds will be placed in a segregated account to be used to fund new facilities and amenities open to the use and enjoyment of all residents and will help offset dependence on assessment dollars to implement these capital projects.

Provision for this type of fee has become standard in the documents of most new homeowner associations, and many older existing associations have amended their documents to provide such a source of revenue for enhancing their amenities without depending solely on assessment dollars. MVF staff has put together a five-year Capital Plan that incorporates specific projects, anticipated project costs for each of the next five years, estimates of reserve funds that will be available going forward, modest anticipated assessment increases and estimates of revenue expected from the Capital Contribution Fee.

Board members and staff firmly believe that the new fee will help sustain continuous investment in the community in order to help maintain and increase property values and enable Montgomery Village to compete with other communities in providing up-to-date, desirable amenities, while at the same time helping to keep assessment increases at a minimum.

The amended By-Laws have been sent to the Circuit Court for their records, and notification of the change has been advertised in the *Gazette* and *Village News*.

The fee will be collected starting January 1, 2012.

Questions about the By-Law Amendment should be sent in writing to:

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