

Re-write Letter

Dear Regency Point Property Owner:

At the recent property owner's meeting, there was a brief discussion regarding the re-writing of Regency Point's deed restrictions and bylaws. The reasons for the re-write: 1. To update our existing antiquated documents, bringing them in line with current state and local policies; 2. To simplify them where possible; 3. To do away with the un-necessary Architectural Control Committee; and 4. To try and find a way to stabilize the community financially by modifying the repairs / maintenance currently funded by the Homeowners Association with an eye towards reducing monthly dues and raising property values.

The re-write will require a majority approval by all of the homeowners, which may necessitate one or more special meetings of the owners to reach agreement and finalize the changes. The attached table provides examples of some of the changes considered by the re-write committee. While most of the changes are ready to go to the attorney, the operational issues may require discussion. In an attempt to get the conversation started, here are the ideas / options we have to date regarding funding of repairs.

1. Maintain the status quo. The Association pays for **all exterior** repairs.
2. The HOA pays for **NO repairs to buildings**, only common ground repairs, insurance, and maintenance. Based on history only, this option would have saved the community around \$40,000 in 2014, and around \$117,000 in 2015. Obviously, these expenses would fall to individual property owners. This option presents the maximum savings for the Association with a major risk for the homeowner.
3. **Cost sharing** by HOA and individual owners. Much like an insurance deductible, the individual would pay the first \$500, \$1000, or \$2,000 (amount to be determined) and the HOA would cover the balance of any repair. The following table shows the effect of each option.

Savings to HOA Summary

<u>Option</u>	<u>2014 Estimate</u>	<u>2015 Estimate</u>	<u>Monthly Dues Impact*</u>
1. Status Quo	\$0	\$0	\$0
2. No Repairs	\$40,000	\$117,000	-\$124
3. Cost sharing			

@\$500	\$10,000	\$13,000	-\$21
@\$1,000	\$19,000	\$22,000	-\$34
@\$2,000	\$33,000	\$25,000	-\$58

*The Monthly dues Impact(s) are based on the 2016 annual budget and may or may not be used for monthly dues reduction.

Note that in all cases, the HOA will maintain architectural control of any work done on individual units, and must approve all vendors prior to the work starting.

Besides investigating options for sharing costs between the HOA and Owners, we are also evaluating the impact of basing the monthly dues for building maintenance on unit square footage. One option we are considering is using the Montgomery County Appraisal District data for unit square footage information. If any changes are approved by the ownership, they will be included in the re-write. These changes will not affect income or savings for the HOA, but will affect how much each owner will pay.

For which of the above options would you vote? Please let us know so we can go to the next step. You may vote by clicking on the link below and taking the brief survey. An owner's meeting will be required for final approval.

<https://www.surveymonkey.com/r/PV3BP5G>

We anticipate the other changes to the documents will be easier to digest and approve by the ownership as they are mostly language changes. We'll address those issues when the time is appropriate.

As always, we welcome your comments and questions and look forward to bringing Regency Point's governing documents into the modern world.

Sincerely,

The Re-write Committee:

Matt Kello, Unit 73

Henry Goyette, Unit 17

Phil Leslie, Unit 32