

March 30, 2016

Re: Leasing Restriction Amendment

Dear Unit Owners:

As many of you are aware, the number of units leased in our building continues to increase. Once the number of rentals in the Community exceeds fifty percent (50%) of the total percentage interest, our Community will no longer qualify for mortgages compliance with FHA standards.

Specifically, the FHA national mortgage standards require that a majority of the units within the Community be owner-occupied and that no single individual or entity own more than ten percent (10%) of the total units in the Community. The failure to comply with these standards may make it more difficult to obtain a mortgage and/or to obtain the best possible competitive rates. The total percentage interest of units currently leased in the Community equals 49.2%.

The Board of Directors has carefully considered this issue and held discussions with various professionals, including the Association's legal counsel. Pursuant to Article VII of our Association's Declaration, as well as Section 3219(f) of the Pennsylvania Uniform Condominium Act, which is the law governing our Association, our Association's Declaration may be amended in order to conform the documents to the requirements of any agency or entity that has a established national or regional standards with respect to mortgages and loans, such as those discussed above.

We have been advised by the Association's legal counsel that the Board does have the power to effectuate a technical corrective Amendment to the Association's governing documents requiring that a majority percentage interest of units be owner-occupied. In essence, a leasing restriction will be created to allow the Association to meet these national mortgage standards and to ensure our ongoing ability to assure that buyers are able to secure mortgages and owners are able to refinance their loans.

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The Amendment will grandfather any and all owners who are currently leasing their unit. The owners will be allowed to continue to lease their units in strict accordance with the Amendment. Each individual currently leasing their unit will be granted a leasing permit. This permit will allow continued leasing until such time as the unit becomes vacant for a period of six (6) months, or the unit is sold.

Those owners seeking to lease their unit will need to apply for a leasing permit, which shall be issued to the extent that leasing permits are available. If they are not available, a waiting list will be maintained. A hardship provision will be included in the Amendment.

The Board is currently reviewing the Amendment at this time, and once executed and recorded, it will be forwarded to all owners within the Community. This has been a complex and difficult issue, but the Board, after careful and due consideration, has concluded that such an Amendment is in the Association's best interest.

Once the Amendment has been finalized and recorded, it will be distributed to your attention, along with additional information regarding the leasing permit system to those owners who are currently leasing their units.

Very truly yours,

BOARD OF DIRECTORS