

**LEASING ADMINISTRATION POLICY
FOR CASTLE CREEK, A PLANNED COMMUNITY**

WHEREAS, the Uniform Condominium Act 68 PA C.S.A. section 5302 (a)(1) & (11) (the "Act") grants the Board of Directors the power to adopt and amend Rules and Regulations and level reasonable fines for violations of the Declaration, By-Laws, and Rules and Regulations of the Association; and

WHEREAS, Section V, Project Eligibility Requirements, (5) Investor Ownership and (8) owner-occupancy Ratios of the U.S. Department of Housing and Urban Development Mortgagee Letter 2009-49 B dated Nov. 6th, 2009, requires that the Association respond accurately and timely to lender questions of investor ownership and owner-occupancy ratio; and

NOW THEREFORE BE IT RESOLVED that the following be adopted by the Board of Directors as the leasing policy of Castle Creek Homeowners Association (the "Association" or "CCHA").

At no time may more than Fifty-Five (55%) Percent of Class A Units, or such lower number as may be required under FHA guidelines, be leased at any one time. All rental units are subject to the following conditions:

A. LEASING

- (1) An Owner who intends to lease a Class A Unit, which Unit was previously owner-occupied, shall first request the consent of the CCHA Board of Directors to rent. At the time the request to rent is submitted, the Board shall advise if the percentage limitation has been met. In such event, the Owner will not be permitted to rent the Unit.
- (2) At the time of Resale Certificate request for resale of a Unit from one Owner to another, the purchaser will have to disclose their intention to rent the Unit and request permission or the stipulation will be listed on the Resale Certificate that the Unit cannot be used as a rental property at this time due to the limit being currently met.
- (3) Total occupancy of any Unit being leased shall not exceed two (2) persons per bedroom.
- (4) Each tenant shall agree to comply with the terms and conditions of the Rules and Regulations and other governing documents of the Association.
- (5) It shall be the Owner's responsibility to ensure that all tenants receive a copy of the Rules and Regulations of Castle Creek, as well as other necessary documents and

guidelines. The Owner shall be responsible for any fines or penalties imposed upon its tenant. Should a tenant demonstrate a disregard for the provisions of this Declaration and/or the Rules and Regulations, the Owner shall be notified by the Board of Directors or management company. For persistent violation, the Owner may be precluded from extending the tenancy of the tenant beyond that of the original lease and may be required by the Board of Directors to evict the tenant for repeated violations of the Rules and Regulations.

- (6) At the termination of each lease and upon the change of tenants, the Owner shall be required to again notify the management company that the Unit remains a rental Unit and provide the new lease and updated Rental Unit Registration Form, attached.
- (7) An individual Owner may not lease more than two (2) Class A Units, effective May 1, 2018. This shall apply to ownership by individuals, joint tenants by the entireties, LLC's, corporations and investment groups. Any Unit owned by an entity in which an individual Owner owns at least ten (10%) percent interest in the entity shall count as a Unit owned by that individual Owner for the purpose of this limitation. Owners leasing two (2) Units will be denied from leasing a third.
- (8) Only the Owner of Record on the Title and/or Deed shall engage in a lease agreement. No tenant shall be permitted to sublet a Unit.

B. DOCUMENTATION

- (1) All initial leases shall be for a term of at least one (1) year. Month-to-month rentals are only permitted after completion of a one (1) year lease with the given tenant.
- (2) All leases and/or renewals must be in writing. The Rental Unit Registration/Update Form, as approved by the Board of Directors (which is subject to revision), is attached. A copy of the lease agreement and completed Rental Unit Registration/Update Form must be provided to the management office within fifteen (15) days of signature. Failure of the Owner to provide said lease and form within fifteen (15) days shall result in the assessment of a one-hundred (\$100.00) dollar fine.
- (3) Unit Owners must notify the management company no later than fifteen (15) days after any change in occupancy of their Unit, including if the Unit is vacant but available for rent, and provide the management company with the following:
 - a. Any changes to the Unit Owner's contact information
 - b. The name, telephone, and e-mail address of all tenants in the Unit
 - c. A fully executed copy of the lease and completed Rental Unit Registration/Update Form
- (4) A one-time processing fee of fifty (\$50.00) dollars will be due upon initial registration of a Unit as a rental Unit and be applied to the rental Unit Owner's account when the lease and form are submitted. The fee is intended to cover the additional costs to the Association for review and approval of leases, tracking tenant occupancies, tracking tenant infraction of Rules and Regulations and for sending duplicate notices to the tenants and Owners of rental Units. This registration fee is only assessed upon initial registration of rental Unit,

and does reoccur when a rental Unit changes tenants; however, the updated lease and form are still required to be submitted and subject to a fine if the Unit Owner fails to do so within fifteen (15) days.

- (5) An administrative fee of \$25.00 will be due annually and applied to the accounts of all rental Unit Owners on January 1st. The fee is intended to cover the additional costs to the Association for ongoing monitoring of tenant occupancies and for sending duplicate notices to the tenants and Owners of rental Units.

ENFORCEMENT

- (1) Failure to comply with this leasing policy shall result in a fine as so stated above in section B(2). If the rental has been operational for thirty (30) days and the documentation and information has not been provided to the management office, or a Unit is found to be operating as a rental without disclosing such, there will be a five-hundred (\$500.00) fee applied to the Owner's account on a monthly basis until the terms of this leasing policy are met. All fines and fees associated with the enforcement of the policy are collectable.

This policy will be administered in conjunction with the Rules and Regulations, as appropriate.
This policy shall be effective on May 1, 2018.

ATTEST:

John L. Galerman

President

George A. [Signature]

Secretary

4/6/18

Date

4-6-18

Date