BIRCH POINTE CONDOMINIUM ASSOCIATION
P.O. BOX 1195
HOCKESSIN, DE   19707

August 15, 2013

For immediate publication

Dear Prospective Birch Pointe Investment Owner,

Effective October 1, 2013, Birch Pointe is instituting an investor initiation fee. This is a one-time $2000 fee to be collected at closing and payable to Birch Pointe Condominium Association. The particulars of the initiation fee are as follows:

- Applies to all investor purchases effective October 1, 2013. If closing is on or after this date, the investor will be subject to this fee.
- An investor is defined as a prospective buyer who intends to purchase a Birch Pointe Unit with the objective to rent and/or lease the unit within 12 months of initial purchase.
- An investor that intends to occupy the unit for at least 12 months starting from the date of purchase and then converts the unit to a rental is exempt from this fee, provided this intent is communicated and documented at closing (investor to furnish Birch Pointe with proof of residency).
- Any buyer intending to own more than one unit in Birch Pointe is automatically considered an investor and will be subject to the fee regardless of intent to occupy.
- The fee is non-refundable for any reason.

The Board of Directors, at its regularly scheduled meeting on August 12, 2013, voted 6:0 in favor of this measure. This measure is designed to protect the interests of all Birch Pointe owners. Birch Pointe is subject to FHA / HUD recertification, which allows owners to obtain FHA insured mortgages. As the number of investor owned properties has steadily increased, Birch Pointe is now approaching an unfavorable rental ratio and may no longer be able to obtain FHA certification if the increase continues.
The Board of Directors understands the desire for Investors to purchase units and encourages a reasonable amount of rentals. The Board of Directors may review this policy on an ongoing basis and make adjustments as needed.

Sincerely,

Birch Pointe Condominium Association, Board of Directors