

March 10, 2009

Dear Homeowner,

We have mentioned before that one of our most critical initiatives this year is to submit our association to the Georgia Property Owner's Act (POA). You will be asked to vote on this important initiative soon; a ballot and information will be mailed within the next 30 days. As part of this ballot the Board is proposing a Leasing Amendment, another very important change to the governing documents that will add restrictions to those who lease their properties. Before we vote on either initiative, however, we need your help so that we draft an amendment that best represents the wishes of the community. That is the purpose of this letter.

What is the issue?

The Board believes it is in the association's best interest to limit the number of rental units in our community. Many communities have such a limit, but our initial governing documents did not. As a result, **over 40%** of our community is investor-owned, an unusually high number. Worse, the number of rentals has increased steadily over the past few years. Having so many rental properties can cause many issues, including neglected properties, transient residents with no ties to the neighborhood, and can even prevent buyers from getting financing! Many lenders will not lend in communities that are over 25% non-owner-occupied!

What is the proposed solution?

We are proposing a change to our covenants to limit the number of investor-owned properties to 10% of the community. If we enact this change, those who wish to lease their property must submit a Leasing Application to the Board and get approval. Approval will be granted unless we have exceeded the 10% limit. If the community is at or above 10%, there will be a waiting list (first-come, first-served) for those who wish to wait for a spot to open. The Board determined that 10% was the most manageable percentage, one that balances the need to be flexible with investors, but still protects the property values of owner-occupied residents.

Note that there will also be a hardship provision, which will give the Board the option to approve rental status to owners even after reaching the 10% limit. This will give the Board an option to accommodate hardship situations should they arise.

What happens to current investors?

Nothing. We will write the amendment such that current investors will not be harmed. If you currently rent out your property, you may continue to rent your property until you sell it. If we did not put in this provision, current investors (in excess of the first 10% approved) would have to sell immediately or move-in to the property; hardly a reasonable request.

This means that we will continue to have many rentals for the short-term. But over time, as these properties are sold to owners who use them as their primary residence, we will see the percentage of rental properties decline.

What if I am not leasing my property now, but want to lease my property in the future?

This is where we need your help. In addition to grandfathering investors, we have an option to also grandfather all existing owners, so that all current owners would have the option to lease their property until they sell it. If we do not provide this option, then owners who are not currently leasing their property will have to seek approval before renting their property. Approval will only be granted if we are under the 10% limit, which is not likely to happen for a long, long time.

Grandfathering all existing owners gives current owners the most choice as to what to do with their property. The downside is that we increase the chances that we will have even more rental properties than we do today, as owners exercise their grandfather rights.

REQUIRED ACTION NOW: RESPOND TO ENCLOSED POLL BY MARCH 31!

Enclosed is a poll for you to vote on how we structure the leasing provision. We request that you respond and send your response to the address noted on the form by March 31. You may also send your response via e-mail to shadowbrookhoa@gmail.com, or call Jessica Mooney, GW & Associates, at 678-407-6307 and give her your preference.

NEXT STEPS: INFORMATION SESSION MARCH 17, VOTE BY APRIL 30

Based on your responses, we will be drafting a final version of the Leasing Amendment, and will send it along with the POA Amendment to all homeowners in Early April. Enclosed with these forms will be a ballot for you to vote for your approval for each of these important initiatives by April 30. Adoption will require an affirmative vote by $\frac{3}{4}$ of the community, so it is absolutely critical that every homeowner complete their ballots!

In order to answer any of your questions about the POA or Leasing Amendment, we will be having a question and answer information meeting on March 17th at 7:00pm at the Suwanee Library. Brendan Smith, the association's attorney, and Jessica Mooney, our property manager will be on-hand, along with the Board of Directors. We will also be collecting completed polls at the meeting.

Please complete your poll so that your voice can be heard! We believe these important measures will protect all of our property values and ensure that Shadowbrook remains a stable, desirable neighborhood in-line with its high-profile location in the center of Suwanee!

SHADOWBROOK AT TOWN CENTER LEASING AMENDMENT POLL

This poll is being provided to you because you are an owner in Shadowbrook at Town Center Subdivision. The Board of Directors of the Shadowbrook at Town Center Community Association has proposed an Amendment to the Declaration of Covenants, Conditions, and Restrictions. The Amendment addresses two issues: adopting the Georgia Property Owners' Association Act (the "POA") and amending the leasing provision. This is a poll to collect feedback on the leasing provision before writing the proposed Amendment in its final form. Once in its final form, the amendment may only become effective if approved by Owners entitled to cast at least 75% of the total number of Class "A" votes in the Association. The actual ballot giving you the option to vote on both the POA and the Leasing Amendment will be sent to you in April.

Please send your completed poll to the following address by March 31, 2009.

Shadowbrook at Town Center Community Association, Inc.
c/o G.W. & Associates
Attn: Jessica Mooney
1585 Old Norcross Road, Suite 101
Lawrenceville, Georgia 30045

If you have any thoughts or comments you would like to share with the Board with regard to the POA or Leasing Amendment, please use the space on the back of this page.

Please check the appropriate box below (choose only one).

- I would like for ALL CURRENT OWNERS to be grandfathered in the leasing amendment, so that any current owner has the right to lease his or her property until it sells.
- I would like for ONLY CURRENT INVESTORS to be grandfathered in the leasing amendment. If you are currently leasing your property, you may continue to lease until it sells. If you are not currently leasing your property, you will need approval from the Board of Directors to lease your property.
- I DON'T AGREE with enacting a Leasing Amendment to restrict the number of rental properties, regardless of whether or not current owners are grandfathered.

Date

Signature of Owner

Print Full Name of Owner

Address