

## LEASING POLICY WITHIN WATERSIDE ON JOHNS LAKE

Leases are subject to the advance written approval of the Association, and the Association is likewise granted specific remedies of enforcement. As set forth in the Declaration, violations of the governing documents by the tenants or occupants entitles the Association to terminate the lease and remove the tenants/occupants through appropriate legal action. In the event of a violation of the governing documents by the tenants/occupants, the Board may, following thirty (30) days written notice to the Owner and tenants/occupants, immediately proceed with an action to remove the tenants/occupants.

A copy of the lease must be presented two weeks prior to the property being leased to the management company for approval. The management company will assist in obtaining approval of the lease. Failure to submit a lease a minimum of thirty (30) days in advance of the intended occupancy/start date of the lease for approval shall result in denial of the application and the tenant shall not assume occupancy. Not reading the declaration requirements regarding leasing is not an excuse for violating the rules. Owners and tenants were given copies of the declaration. If a tenant did not receive a copy of the declaration from the owner, you need to contact the owner for a copy. It is your responsibility to adhere to the leasing requirements in the declaration. If the property is not maintained to community standards, the board may decide self-help is required resulted in an additional assessment. Failure to pay the assessment may result in the property being liened or other actions taken against the owners and tenants. Owners bought into the community for many reasons. Not maintaining the property decreases property values, increases insurance costs, and changes the appeal of Waterside. For more details on leasing, you can refer to your community's declaration and all applicable rules and regulations. If you have questions, contact the management company.

Homes may be leased, licensed, or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association. All leases shall be on forms approved by Association and shall provide (or if they do not provide, shall be automatically deemed to provide) that Association shall have the unilateral right to terminate the lease upon default by the tenant in observing any of the provisions of the Association Documents or other applicable provisions of any agreement, document or instrument governing Waterside on Johns Lake or administered by Association.

If a violation is determined to be present on the part of the tenants/occupants, the Association shall first provide the foregoing First and Second Notices of violation to the tenants/occupants in addition to the Owner. The Second Notice shall provide the tenants/occupants and Owner with thirty (30) days' notice of its intent to terminate the lease and proceed with ejectment/removal in the event the violations remain uncorrected following said thirty (30) day notice. In addition to the foregoing, in the event the violations involve any of the approval requirements in the Declaration, including the security deposit requirements, the Association shall instead be entitled to proceed with immediate removal/ejectment of the tenants/occupants following thirty (30) days' notice as required herein.

Each Owner hereby acknowledges and agrees that any and all leases entered into by such Owner in connection with his or her Home shall be deemed to incorporate by this reference a collateral assignment of rents and leases in favor of Association, which collateral assignment of rents and leases shall provide that in the event such Owner leasing his or her Home is past due in the payment of his or her Assessments, Association shall have the power and authority to take actions including, but not limited to: (i) collecting rents now due or that become due directly from such Owner's tenant(s) (or other party in possession of

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the Home); and/or (ii) pursuing any and all legal remedies available against such Owner and/or such Owner's tenant(s) including, but not limited to, actions for eviction of such Owner's tenant(s). *Owners are responsible for providing their tenants with copies of all such Association Documents or instruments at such Owner's sole cost and expense. Leasing of Homes shall also be subject to the prior written approval of Association. The owner must provide names of all individuals that will reside at the leased home.* The owner is responsible for providing renters with 2 access cards. If a card is lost, the renter needs to contact the owner for replacement.

No Home may be subject to more than two (2) leases in any twelve (12) month period, regardless of the lease term. No lease term shall be less than one hundred eighty (180) days. No subleasing or assignment of lease rights by the tenant is permitted. In no event shall occupancy of a leased Home (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. Each Owner shall be jointly and severally liable with the tenant to Association for all costs incurred by Association for the repair of any damage to Common Areas or to pay any claim for injury or damage to property caused by tenants. Association shall repair any such damage and the cost of such repair shall be invoiced as an Individual Assessment to the Owner. Additionally, as a condition to the approval by Association of a proposed lease of a Home, Association has the authority to require that a security deposit in an amount equivalent to One Thousand Dollars (\$ 1,000.00) or one (1) month's rent, whichever is greater, be deposited into an account maintained by Association. The security deposit shall protect against damages to the Common Areas or Association Property. The association may also charge a reasonable fee of no more than One Hundred (\$ 100.00) dollars to offset the costs of a background check on tenant.

Association and its directors or officers, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any party whatsoever, due to any mistakes in judgment, negligence, or any action or inaction of Association, its officers, or directors, in connection with the approval or disapproval of tenants. Each Owner agrees, individually and on behalf of its prospective tenants, current tenants, heirs, successors and assigns by acquiring title to a Lot, that he or she (or any other of the aforementioned parties) shall not bring any action or suit against Association or its directors or officers, or any of the Association's agents or other parties acting on Association's behalf, in order to recover any damages alleged or caused by the actions of Association, or its officers or directors in connection with the provisions of this Section.