

Eagle Watch Homeowners' Association, Inc.

LEASING AND OCCUPANCY GUIDELINES

In order to preserve the character of the Community as a residential community of owner-occupied homes, leasing of Lots shall be governed by the restrictions imposed by this Paragraph. **Except as provided herein, leasing of Lots is prohibited.**

Owners may lease their Lots only if: (1) the Owner is a Grandfathered Owner; (2) the Owner is not a Grandfathered Owner but has received a Leasing Permit from the Board as provided below; or (3) the Owner is not a Grandfathered Owner but has received a Hardship Leasing Permit from the Board as provided below. The intent of this provision is to limit leasing to 100 Lots, except as provided below in limited cases for certain undue hardship situations.

A. Definitions

(i) **“Authorized Family Member”** means a Lot Owner’s spouse, former spouse, parent, child, brother, sister, grandparent or grandchild, which relationship shall be demonstrated to the Board on request by providing a copy of a birth certificate, marriage license or similar document satisfactory to the Board.

(ii) **“Grandfathered Owner”** means an Owner who: (1) is lawfully leasing his or her Lot on the Effective Date and has been lawfully leasing his or her Lot for at least 90 days prior to the Effective Date; and (2) within 30 days of the Effective Date, provides the Board with a copy of the Owner’s lease agreement(s) which has/have been in effect for such period.

(iii) **“Grandfathered Lot”** means the Lot owned and leased by a Grandfathered Owner on the Effective Date hereof, as defined above.

(iv) **“Leasing”** means the occupancy of a Lot by any Person(s) other than:

(a) the Lot Owner or an Authorized Family Member of the Lot Owner;

(b) an Authorized Corporate Occupant; or

(c) a Roommate of any person identified in subparagraphs (a) or (b) above, which person identified above also occupies the Lot and entire dwelling on the Lot as his or her principal, primary and full-time residence.

A Lot may be considered to be leased hereunder even if no rent is paid to the Owner. For the purpose of this provision, any lease purchase arrangement, lease with an option to purchase, agreement for deed, or bond for title shall be considered a lease hereunder.

(v) **“Leasing Cap”** means the maximum total number of outstanding Leasing Permits, plus Grandfathered Lots and Hardship Leasing Permits, that are permitted before additional Leasing Permits may be issued hereunder. **The Leasing Cap is 100 Lots.**

B. Grandfathered Lot Leasing

Grandfathered Owners may lease their Grandfathered Lots, in accordance with this Paragraph 10, without having to obtain a Leasing Permit. Grandfathering and Grandfathered status hereunder shall automatically expire on the date the Grandfathered Owner conveys title to the Grandfathered Lot to any other person (other than the Owner’s spouse, former spouse, parent, child, brother, sister, grandparent or grandchild). The Board of Directors, in its discretion, with written notice to the Lot Owner, also may terminate grandfathering and Grandfathered status of any Lot hereunder, after 30 days’ written notice to the Owner, if:

(i) the Grandfathered Owner becomes delinquent in the payment of any assessments or other charges owed to the Association hereunder;

(ii) the Grandfathered Owner or any Occupant of the Lot is convicted of any felony (which conviction has not been overturned), is convicted of a misdemeanor criminal offense occurring within the Community, is issued two or more governmental citations or tickets for traffic offenses within the Community, or is arrested for and/or charged by law enforcement for criminal conduct which the Board reasonably determines creates an unreasonable danger or risk to safety to other Community residents; or

(iii) the Grandfathered Owner or any Occupant of the Lot violates the Declaration, Bylaws, Association rules or regulations, and fails to fully cure that violation within the 30-day notice period.

C. Leasing Permits

If an Owner is not a Grandfathered Owner and wishes to lease the Owner's Lot, then the Owner may apply in writing to the Board of Directors for a Leasing Permit. Owner requests for Leasing Permits must be in writing and provide such information as the Board may reasonably require.

The Board of Directors may approve an Owner's request for a Leasing Permit if: (i) the Owner has occupied the Lot as his or her principal and primary residence for at least 24 consecutive months at any point of time prior to requesting a Leasing Permit; and (ii) the total number of current, outstanding Leasing Permits, plus Grandfathered Lots and Hardship Leasing Permits is less than the Leasing Cap.

Notwithstanding the above or anything to the contrary herein, the Board may deny a Leasing Permit to any Owner if the Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge or if the Owner or any Lot Occupant is otherwise in violation of the Declaration, Bylaws, any Association rules and regulations, or any applicable law or ordinance.

If the number of current Leasing Permits and Hardship Leasing Permits issued, plus Grandfathered Lots, has reached or exceeds the Leasing Cap, then no additional Leasing Permits (except for Hardship Leasing Permits) shall be issued until that number falls below the applicable Leasing Cap.

Any Owner who has been denied a Leasing Permit because the Leasing Cap is satisfied shall be placed on a waiting list to be issued such a permit, if the Owner so desires. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner to be removed from the waiting list for a Leasing Permit. All Leasing Permits are valid only as to a specific Owner and Lot and are not transferable between either Lots or Owners (including a subsequent Owner of a Lot where a permit was issued to the Owner's predecessor in title).

D. Hardship Leasing Permits

If an Owner is not a Grandfathered Owner, is denied a Leasing Permit, and believes that leasing the Owner's Lot is necessary to eliminate or avoid a substantial undue hardship to the Owner, then the Owner may apply in writing to the Board of Directors for a Hardship Leasing Permit.

A written Hardship Leasing Permit will allow an Owner to temporarily lease his or her Lot, provided that such leasing is in strict accordance with the terms of the permit and this Paragraph. The Board of Directors shall have the authority to establish conditions as to the issuance and use of such permits consistent with this Paragraph. All Hardship Leasing Permits are valid only as to a specific Owner and Lot and are not transferable between either Lots or Owners (including a subsequent Owner of a Lot where a permit was issued to the Owner's predecessor in title).

To be considered for a Hardship Leasing Permit, the Owner must apply in writing to the Board of Directors and provide information and documentation sufficient to the Board of Directors to review and determine whether a Hardship Leasing Permit is necessary or appropriate. The Board shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship; (2) the harm, if any, which will result to the Community if the permit is approved; (3) the number of Hardship Leasing Permits which have been issued to other Owners; (4) the Owner's ability to cure the hardship; and (5) whether previous Hardship Leasing Permits have been issued to the Owner. The Board will use good faith in the review and

issuance of Hardship Leasing Permits, and in particular will use best efforts to accommodate family illnesses or incapacity, and military service.

The Board has sole discretion whether to grant a Hardship Leasing Permit, and the existence of a hardship does not guaranty that an Owner is entitled to or will receive a Hardship Leasing Permit; such permit is discretionary. The Board shall have broad discretion in determining what constitutes an undue hardship.

Unless otherwise approved by the Board, Hardship Leasing Permits expire one year after the date issued. Owners may apply for additional Hardship Leasing Permits at the expiration of a Hardship Leasing Permit, if the circumstances warrant.

E. Expiration and Revocation of Leasing Permits and Hardship Leasing Permits

Leasing Permits and Hardship Leasing Permits are automatically revoked upon the sale or transfer of the Lot to a third party (excluding sales or transfers to an Owner's spouse, former spouse, parent, grandparent, child, grandchild, brother or sister), except that any lease compliant with the Declaration and existing on the date of such conveyance shall be permitted to continue for the remainder of its original term, not to exceed the remaining term of the original Permit under which such lease was executed. Hardship Leasing Permits also are automatically revoked upon the failure of an Owner to execute and commence an authorized lease of the Lot within 90 days of the issuance of the Hardship Leasing Permit. Leasing Permits also automatically expire: (i) two years from the date issued; or (ii) if the Lot is not subject to an authorized and approved lease for more than 90 consecutive days.

The Board of Directors, in its discretion, also may terminate any Leasing Permit or Hardship Leasing Permit hereunder, after 30 days' written notice to the Owner, if:

(i) the Owner becomes delinquent in the payment of any assessments or other charges owed to the Association hereunder;

(ii) the Owner or any Occupant of the Lot is convicted of any felony (which conviction has not been overturned), is convicted of a misdemeanor criminal offense occurring within the Eagle Watch Community, is issued two or more governmental citations or tickets for traffic offenses within the Eagle Watch Community, or is arrested for and/or charged by law enforcement for criminal conduct which the Board reasonably determines creates an unreasonable danger or risk to safety to other Eagle Watch residents; or

(iii) the Owner or any Occupant of the Lot violates the Declaration, Bylaws, Association rules or regulations, and fails to fully cure that violation within the 30-day notice period.

If a Leasing Permit expires or is revoked, the Owner may request another Leasing Permit or, if such Leasing Permit is not available because the Leasing Cap is satisfied, the Owner may request to be placed on the leasing waiting list.

F. Leasing Administration Fee and Early Lease Termination Fee

In addition to annual assessments, special assessments, and other charges provided for under this Declaration or the Bylaws, an Owner who leases a Lot shall be assessed and required to pay to the Association an annual Leasing Administration Fee. The Leasing Administration Fee shall be an amount equal to one half (1/2) of the annual general assessment applicable to such Lot.

In addition to the above, if any Owner terminates or cancels, or permits the termination or cancellation of, any lease prior to the expiration of its original term, the Owner shall be assessed and required to pay the Association an Early Lease Termination Fee, unless the lease cancellation or termination is: (i) pursuant to judicial eviction of the Occupant; (ii) on request or demand of the Association hereunder; or (iii) is made to accommodate a military reassignment of the Occupant outside the metropolitan Atlanta area after the initial lease execution. The Early Lease Termination Fee shall equal one half (1/2) of the annual general assessment applicable to such Lot. The Leasing Administration Fee and Early Lease Termination Fee shall be non-prorated and non-refundable, and shall be due within 30

days of the date any lease is executed or new occupancy relationship is created hereunder (in the case of the Leasing Administration Fee) or 30 days of the early lease termination or cancellation (in the case of the Early Lease Termination Fee).

G. Prohibition on Certain Occupants

No person is permitted to occupy a Lot pursuant to a lease hereunder if such person: (1) is registered or required to be registered on or under the Georgia Sexual Offender Registry, pursuant to O.C.G.A. Section 42-1-12; (2) has been convicted of any felony or any crime of physical violence against any person or animal in any jurisdiction of the United States, which conviction has not been overturned; or (3) is listed on any law enforcement most wanted list.

H. Leasing Provisions

When leasing is permitted under this Paragraph, it shall be governed by the following provisions:

(i) General Leasing Provisions

The Association may engage or delegate to a third party all or any of the rights, responsibilities or tasks assigned to the Association hereunder, acting at the direction of the Board of Directors. Except for authorized Roommates of an Owner as provided above, Lots may be leased only in their entirety pursuant to a single lease. As an example, basements may not be leased as separate apartments or living quarters. All leases must be for an initial term of not less than one year and, except with written Board approval, not more than the remaining term of the Leasing Permit or Hardship Leasing Permit. There shall be no subleasing of Lots or assignment of leases, except with prior written Board approval. Lots may not be leased, rented or used for short-term hotel-type use, stay or occupancy, including but not limited to Airbnb or VRBO.

All leases shall be in writing and shall contain provisions complying with the requirements of this Paragraph 12, the Declaration and all Association rules and regulations. All leases executed, modified, renewed or extended after the Effective Date also must include a completed Lease Terms Exhibit attached as Exhibit "B" hereto and incorporated herein by reference.

The provisions of the Association Legal Documents and the Lease Terms Exhibit are incorporated into each lease of any Lot executed, modified, renewed or extended after the Effective Date, whether or not expressly stated therein, and into the terms of any tenancy or occupancy of a Lot even if no written lease or agreement exists between the Owner and the Occupant.

(a) Notice Prior to Leasing. At least seven days before entering into a lease of any Lot, the Owner shall provide the Board of Directors with: (1) written notice of the Owner's intention to lease his or her Lot; (2) verification that the Owner has obtained a Leasing Permit or Hardship Leasing Permit or is authorized to lease as a Grandfathered Owner; (3) a copy of the proposed lease, which must include the Lease Terms Exhibit provided for herein; (4) the names, phone numbers and email addresses of all of the proposed Occupants of the Lot; (5) the Owner's Lot address, and the Owner's phone number, email address, work location, work phone number and physical street address to be occupied by the Owner when the Lot is leased; (6) confirmation of the Tenant Screening required hereunder; and (7) such other information required by the Board. The Owner must provide the lessee copies of the Declaration, Bylaws and Association rules and regulations. **Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed tenant.**

(b) Notice After Lease Execution. The Owner of a leased Lot shall provide the Board with a copy of the executed lease and Lease Terms Exhibit within 10 days after executing a lease for the Lot and within 10 days of request by the Board during the lease term. If any of the information regarding the occupant required above, or other information regarding occupancy of the Lot, changes during the term of any leasing of the Lot, the Owner and Occupant shall update and notify the Board in writing of such changes within 30 days of the date of such change.

(c) Sanctions for Failure to Provide Notice. If an Owner fails to provide the Association a copy of the lease and notice of leasing as provided herein, or an Owner otherwise leases a Lot in violation of this Paragraph, the Association may fine the Owner an initial fine of up to \$250.00, plus

additional daily fines for continued violation of these provisions, in addition to revoking Grandfathered status or Leasing Permits hereunder, and all other remedies provided in the Declaration, Bylaws or Georgia law.

(ii) Tenant Screening

Any Owner who is seeking to lease his or her Lot must engage a professional third-party service or services ("Tenant Screening Service" or "Service") prior to entering into a lease agreement, to obtain the information required below for each adult Occupant who will occupy the Lot pursuant to the lease. Prior to such occupancy, the Owner must complete and provide the Association confirmation of the Tenant Screening. The Tenant Screening Service must, at a minimum, take the following steps:

- (a) Provide a consumer credit report on the prospective Occupant(s);
- (b) Provide a nationwide criminal background check on the prospective Occupant(s);
- (c) Provide a review of the Georgia Sexual Offender Registry; and
- (d) Report such information as is disclosed by its investigation to the Owner.

If the Georgia Sexual Offender Registry review is not a part of the screening report, the Owner will separately verify this information and include it with the screening report to Board. **The Owner is not required to provide the Board with the results of the Tenant Screening**, but the Owner must provide the Board with a receipt or other documentation evidencing that the Owner has performed the Tenant Screening required hereunder, which must include the name, address and telephone number of the Tenant Screening Service and the name(s) of the prospective tenant(s).

The Board will not evaluate the information or make any determination or recommendation as to the suitability of any prospective tenant. The selection of a suitable and appropriate tenant shall be the sole responsibility of the Lot Owner.

(iii) Delegation of Recreational Facility Use Privileges

The Owner transfers and assigns to the Occupant, for the term of the lease and during all occupancy of the Lot by the Occupant, all rights and privileges the Owner has to use any recreational facilities on the Common Property.

(iv) Compliance and Enforcement

The Owner must provide the Occupant copies of the Association Legal Documents. Each Owner and Occupant shall comply with the Declaration, Bylaws, Association rules and regulations, and all applicable laws and ordinances. Owners and Occupants also shall control the conduct of all other Occupants and guests of the leased Lot in order to ensure such compliance and shall indemnify and hold the Association harmless for their and their Occupants' and guests' failure to comply. The Owner shall be responsible for all violations by such Occupants and guests as if the Owner committed such violation, notwithstanding the fact that such Occupants and guests also are fully liable and may be sanctioned for any such violation.

Any of the following shall constitute a default under the lease and authorizes the Association to declare the lease in default and to terminate the lease for any such violation and/or to compel the Owner to evict the Lot Occupant(s), in addition to all other rights and remedies afforded under the Declaration, Bylaws and/or Georgia law:

- (a) any violation of any provision of the Declaration, Bylaws or Association which remains uncured after 30 days' written notice thereof from the Association;
- (b) any felony conviction against an Occupant, which conviction has not been overturned;
- (c) any conviction of an Occupant for a misdemeanor criminal offense occurring within the Eagle Watch Community;

- (d) two or more governmental citations or tickets for traffic offenses occurring within the Eagle Watch Community;
- (e) any arrest of or charge by law enforcement against an Occupant for criminal conduct which the Association's Board of Directors reasonably determines creates an unreasonable danger or risk to safety to other Eagle Watch residents;
- (f) any Amber alert issued on a vehicle registered or parked at the Community by an Occupant or guest of such Occupant; or
- (g) any conduct by an Occupant or guest of an Occupant that creates a reasonable risk to life and/or safety at the Eagle Watch Community.

The Association may bring an action against the Owner and/or Occupant(s) for damages and/or injunctive relief, or may impose fines and/or other sanctions under the Declaration, Bylaws or Georgia law, and/or may terminate Grandfathered status, Leasing Permits, Hardship Leasing Permits and/or leases, for any such violations.

Failure by the Association to enforce any of its rights shall not be deemed a waiver of the right to do so thereafter. Any costs associated with any enforcement action by the Association under this Paragraph, including all reasonable attorneys' fees and/or collection fees or costs actually or contingently incurred, and court costs, shall be specially assessed against Owner's Lot and shall be a personal obligation of the Owner, being deemed as an expense which benefits the leased Lot and Owner. If any Occupant, or any guest, invitee, licensee or family member of the Occupant violates the Declaration, Bylaws or rules and regulations, for which a fine is imposed, such fine may be assessed against the Occupant and/or Owner, as provided in the Declaration and Bylaws.

When a Lot Owner who is leasing his or her Lot fails to pay any annual or special assessment or any other charge for a period of more than 30 days after it is due and payable, then, upon request by the Board, the lessee shall pay the Association all unpaid annual and special assessments and other charges owed and payable by the Owner during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Boards request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

Lease Terms Exhibit - Addendum to Lease
[This Addendum is required with all leases of Lots at Eagle Watch]

This Addendum is made and entered into this _____ day of _____, 20__ by and between the undersigned parties, and this Addendum hereby amends that Lease Agreement between the undersigned Landlord and Tenant dated _____, 20__, for the lease of Landlord's lot ("Lot") at Eagle Watch, by adding the following provisions thereto:

1. **ASSOCIATION IS THIRD-PARTY BENEFICIARY; CONFLICTS.** Tenant and Landlord acknowledge and agree that the Eagle Watch Homeowners' Association, Inc. (the "Association"), is a third-party beneficiary of the promises made in this Addendum to the Lease Agreement, and that the Association may enforce any of the provisions of this Addendum against Landlord and Tenant. Landlord and Tenant also acknowledge and agree that Landlord and Tenant have been provided copies of, have read, are fully aware of, fully understand, and will strictly comply with all provisions of this Addendum, and with the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eagle Watch, the Association's Bylaws and rules and regulations, as may be amended. If there are any conflicts between the provisions of the Lease Agreement and this Addendum, then the provisions of this Addendum shall control. Except as expressly amended hereby, the Lease Agreement shall continue in full force and effect.

2. **COMPLIANCE AND ENFORCEMENT BY ASSOCIATION.** Tenant shall control the conduct of his or her family, guests, invitees and pets to assure compliance with the Association's legal documents and shall indemnify and hold Landlord and the Association harmless for any such person's failure to comply. Landlord and Tenant agree that the violation by Tenant, or any occupant or person living with Tenant, of any provision of this Addendum, the Declaration, Bylaws or Association rules and regulations shall constitute a default under this Lease, and that the Association is hereby granted the authority and power to declare the Lease in default and terminated for any such violation. The Association may bring an action against the Landlord and/or Tenant for damages and/or injunctive relief, or may impose fines and/or other sanctions under the Declaration, Bylaws or Georgia law, including all remedies available to a landlord upon breach or default of a lease (including eviction of Tenant), for violations of the Declaration, Bylaws, Association rules and regulations or this Lease. Failure by the Association to enforce any of its rights shall not be deemed a waiver of the right to do so thereafter. Landlord delegates and assigns to the Association, at the Board's discretion, the power to evict Tenant on behalf of and for the benefit of Landlord. If the Association proceeds to evict Tenant, any costs associated therewith, including attorneys' fees and court costs, shall be specially assessed against Landlord's Lot and shall be a personal obligation of Landlord, being deemed as an expense which benefits the leased Lot and Landlord. If Tenant, or any guest, invitee, licensee or family member of Tenant violates the Declaration, Bylaws or Association rules/regulations for which a fine is imposed, or damages the Eagle Watch property, such fine and/or repair costs may be assessed against Tenant and/or Landlord, as provided in the Declaration.

3. **PAYMENT OF ASSESSMENTS.** Upon request by the Association, Tenant shall pay to the Association all unpaid annual and special assessments, and other Association charges, which come due or are due during the term of the Lease and any other period of occupancy by Tenant. However, Tenant need not make such payments to the Association in excess of, or before the due dates for, Tenant's normal monthly rental payments to Landlord under the Lease. All such payments made under this Paragraph shall reduce, by the same amount, Tenant's obligation to make monthly rental payments to Landlord. If Tenant fails to comply with such request, Tenant shall be liable to the Association for all such sums, plus late or delinquent charges, interest, costs of collection and reasonable attorneys' fees actually incurred, to the same extent as if Tenant were the owner of the Lot during the term of this Lease and any other period of occupancy by Tenant.

4. **MAINTENANCE AND INDEMNIFICATION.** Tenant shall promptly advise the Landlord of any condition of the Lot which requires repair or maintenance by Landlord, and Tenant shall promptly advise the Association of any condition of the Common Property affecting the Lot which requires repair or maintenance by the Association. Tenant shall be liable for and shall indemnify, release and hold Landlord and the Association harmless from any damage or injury to the person or property of Tenant or any other person if such damage or injury is due, in whole or in part, to: (1) the act or negligence of the Tenant, Tenant's guests, family, licensees or invitees, or (2) any failure of Tenant to report in writing to Landlord and the Association any defective condition which Landlord or the Association would be required to repair under the terms of the Declaration and this Lease.

5. **USE OF COMMON AREAS.** Landlord transfers and assigns to Tenant for the term of this Lease all privileges that Landlord has to use any Association amenities. Landlord and Tenant agree that delinquency by Landlord in the payment of assessments or other charges to the Association authorizes the Association to suspend Common Property use privileges. Landlord and Tenant agree that the Association may notify the Tenant of any such suspension of privileges caused by the Landlord's delinquency.

6. **SECURITY.** Landlord and Tenant acknowledge and agree that the Association may, but shall not be required to, periodically provide measures or take actions which improve safety at the Eagle Watch community. However, Landlord and Tenant, for themselves and their guests, licensees and invitees, acknowledge and agree that the Association is not a provider of security and shall have no duty to provide security on or at the community. Landlord and Tenant shall be responsible to protect their person and property and to provide such security as they deem appropriate. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

IN WITNESS WHEREOF, the parties have executed this Addendum the day and year first above written.

TENANT: _____
(Signature)

LANDLORD: _____
(Signature)

TENANT: _____
(Signature)

Name: _____
(Please Print)

Name(s): _____
(Please Print)