

HIGH POINT ESTATES HOMEOWNERS ASSOCIATION, INC. LEASING REGULATIONS

Section 5.23 of the Declaration of Protective Covenants, Conditions and Restrictions for High Point Estates and grants the Board of Directors the authority to make and enforce additional policies and regulations governing leasing. The Board believes that it is important to define and outline procedures and additional rules for leasing units. These procedures and rules are set forth below. If you have questions about these provisions or leasing regulations at High Point Estates, the Board encourages you to ask any Board member or the Association's managing agent to avoid any unfortunate violations of these regulations.

A. General Leasing Provisions:

1. "Leasing" is defined by the Declaration as the regular, exclusive occupancy of a dwelling unit by any person other than the Owner or the direct lineal relative of an Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. Occupancy by a roommate of an Owner who occupies the dwelling unit as the Owner's primary residence is not deemed leasing under the Declaration. As used in these Regulations, the term "Lot" has the same meaning as set out in the Declaration.
2. No more than 8 of the Lots within High Point Estates may be leased at any time, except with written Board approval in certain undue hardship situations discussed below. If an Owner requests and is eligible to lease his or her Lot after the date of this Regulation, the Board will issue a leasing permit to the Owner, on such terms and conditions as the Board may determine appropriate. If the 8 Lot cap is satisfied, and an Owner wishes to lease but is not issued an undue hardship leasing permit from the Board, the Owner may request to be placed on a waiting list maintained by the Board. In that case, a Leasing Permit will be offered to Owners on the waiting list in their order on the list.
3. The term of any leasing permit will expire five (5) years from the date of its issue. The leasing permit will also be automatically revoked upon the failure of the Owner to lease his or her unit for 180 consecutive days at any time after the date of issuance of the leasing permit.
4. When leasing of a Lot is permitted, it must be done pursuant to a written lease, with an initial lease term of at least six months, and every lease of a Lot must include the attached Lease Addendum form. At least seven (7) days prior to any occupancy of the dwelling unit located on the Lot by a tenant, the Owner must provide the Board with: (1) emergency contact information for the Owner, including the Owner's phone number, email address and physical address of residence, and failure to provide this information makes the Owner liable to the Association for all costs and damages related therefrom, including but not limited to damages from delay in responding to emergency situations; and (2) a receipt confirming the Tenant Screening and Background Check provided for below. Owner must also provide to the Board within ten (10) days of execution by the tenant a copy of the fully completed and executed Lease and Lease Addendum. If the Owner fails to provide each of these items within the time period set out above, the Association may declare such lease to be unauthorized, levy a fine of \$250 against the Owner for failure to provide such Lease and/or Lease Addendum, levy daily fines of \$25 against the Owner for each day the unauthorized leasing continues or the Lease is not provided, and/or exercise any other rights available under Georgia law, the Declaration and the Association Bylaws.
5. Lots shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a leased Lot, except as allowed by the Declaration.
6. There shall be no subleasing or assignment of leases without the prior written approval of the Board. While the Lot is leased hereunder, any change in the occupants of the Lot shall require a new lease to be executed with such occupants, complying with these Leasing Regulations.
7. Any Owner who is seeking to lease his or her Lot must engage a Tenant Screening Service to provide a background report on the proposed tenants and occupants prior to entering into a lease agreement; provided, however, this screening requirement shall not apply where the tenant is a parent, child or sibling of the Owner. An Owner seeking exemption from Tenant Screening must

provide written certification of the relationship to the Board. The Tenant Screening Service must take, at a minimum, the following steps:

- (i) Obtain a consumer credit report on the prospective tenant(s);
- (ii) Verify employment of the prospective tenant(s) for the last two years;
- (iii) Verify the legal residency status of the prospective tenant(s);
- (iv) Check the rental history of the prospective tenant(s) with all landlords during the last two years, either as reported by the prospective tenant(s) or disclosed by the Service's investigation;
- (v) Check the public records in County and the Northern District of Georgia for bankruptcy and unlawful detainer actions involving the prospective tenant(s);
- (vi) Perform a criminal background check on the prospective tenant(s); and
- (vii) Report such information as is disclosed by its investigation to the Unit Owner.

If any of (i) through (vi) above is not a part of the screening report, the Owner will separately verify this information and provide the Board written confirmation of having done so. The Owner will provide the Board a receipt from the Tenant Screening Service indicating the screening performed on the prospective tenant(s) but not a copy of the report received from the Tenant Screening Service.

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 is the sole responsibility of the Owner. The Board and the Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws.

If the Tenant Screening Report indicates that the potential tenant is a sex offender and/or convicted felon, the Owner must disclose this information in writing to the Board prior to the tenant's occupancy of the Lot.

8. At the Board's discretion, if an Owner is suspected of leasing a Lot, but is claiming that the occupant is a roommate in order to bypass the Association's Leasing Regulations, the Board may require such Owner to provide proof to demonstrate such claim, including but not limited to current motor vehicle registration, voter registration, employment verification, utility or other service invoices and/or driver's license to establish the Owner's current residence address. Fines, termination of occupancy and/or other enforcement actions may result until the request for verification is satisfied.
9. The Association may from time to time employ a third party to administer leasing at High Point Estates. Any Owner seeking a leasing permit shall be specifically assessed the charges incurred by the Association from this third party administrator.

B. Hardship Leasing:

1. The Board may approve or deny an Owner's request to lease his/her Lot to avoid undue hardship in its discretion after considering factors such as: (1) the nature, degree, and likely duration of the hardship; (2) the harm, if any, which will result to High Point Estates if such undue hardship leasing is permitted; (3) the number of outstanding hardship leases; (4) the Owner's ability to cure the hardship; and (5) whether previous hardship leases have been issued to such Owner.
2. A "hardship" circumstance may include, but is not limited to the following: (1) an Owner who must relocate his or her residence and cannot, within 6 months from the date the Lot was placed on the market, sell the Lot except for a price below its current appraised market value, after having made reasonable efforts to do so; (2) where the Owner dies and the Lot is being administered by his or her estate; or (3) where the Owner takes a leave of absence or temporarily relocates out of the metropolitan Atlanta area and intends to return to reside in the Lot. The foregoing list is not an exhaustive list, nor will every circumstance of the above-stated examples be automatically considered an undue hardship.
3. All Owner requests to lease a Lot to avoid hardship will be considered by the Board on a case by case basis. With all requests for hardship leasing, the Owner must provide the Board a

detailed written request for a hardship leasing permit, explaining the circumstances that the Owner believes justify the issuance of the permit, along with such other documentation as evidences the hardship. Hardship leasing are issued for a period not to exceed one (1) year. After the expiration of the leasing permit term, the Owner must stop leasing the Lot, unless the Owner applies for and the Board approves a new hardship leasing permit. Approval of a hardship leasing permit, however, does not guaranty that the Board will approve an extension, even if the same situation exists with the Owner.

4. If a hardship request is based on an inability to sell the Lot, then the Owner shall provide documentation regarding advertising and marketing activities for the Lot, copies of multiple listing agreements, identification of all offers and counteroffers on the Lot, and related documentation. If the hardship request is based on a temporary job relocation, then the Owner shall provide information regarding the duration of that relocation and documentation from the Owner's employer regarding the relocation.
5. The Board may issue hardship leasing permits in circumstances identified above, when the Board determines that such a permit is warranted. But, the Board also may issue hardship leasing permits in other situations, in the Board's discretion.
6. As a general rule a financial hardship itself does not mean that a hardship leasing permit will be issued. Rather, a hardship leasing permit may be issued by the Board to avoid an "undue" hardship. As an example, if an Owner moves into an assisted living facility, the Board generally will consider that to be a necessary move not created by some choice of the Owner, and the Board may issue a hardship leasing permit. However, if an Owner simply chooses to buy another home and move out of High Point Estates, the Owner may have a legitimate financial hardship to have to pay mortgages and assessments for both the Lot and the other home, but, the Board does not consider this to be an "undue" hardship because the Owner chose to create this situation. In this case, the Board may deny a request for a hardship leasing permit. Granting exceptions in these situations, which are within the control of the Owner, would defeat the purpose of the leasing restriction.
7. If the Board issues a hardship leasing permit, the Owner must provide the Board a copy of the lease, signed by the Owner and tenant(s), within 10 days after it has been signed by both parties. When hardship leasing is approved by the Board hereunder, the Owner must include as part of the Owner's lease agreement the attached Addendum to Lease, completed and executed by the Owner and Unit tenants. Failure to submit such timely documentation and/or any other documentation as may be required by the Board may result in a revocation and/or denial of an Owner's request for undue hardship leasing.

C. Compliance with Association Governing Documents:

1. Any Owner leasing a Lot must provide the lessee with copies of the Declaration, Bylaws and rules and regulations governing the Condominium, including these Leasing Rules and Regulations (collectively the "Association Legal Documents").
2. All terms defined in the Association Legal Documents are incorporated herein by this reference. The Owner and each occupant of a leased Lot shall comply with all provisions of the Association Legal Documents. The Owner and the occupants of the Lot are responsible for violations by any guests visiting the Lot and may be sanctioned for any such violation.
3. If a Lot is leased or occupied in violation of the Association Legal Documents, or if the Owner, an occupant or guest violates the Association Legal Documents, the Association's Board of Directors shall be authorized to take all enforcement actions against the Owner and/or occupant authorized under the Association Legal Documents or Georgia law, including but not limited to, terminating any Leasing Permit and/or Lease, terminating any rights to Lease the Lot, and/or removing or compelling the removal of any lessees and/or unauthorized occupants from a Lot.

Addendum to Lease at High Point Estates

[This Addendum is required with all leases at High Point Estates and MUST be fully completed and provided to the Association]

This Addendum is made and entered into on the date of the last party's signature below 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 identified below ("Lot") at High Point Estates, by adding the following provisions thereto:

1. ASSOCIATION IS THIRD-PARTY BENEFICIARY; CONFLICTS. Tenant and Landlord acknowledge and agree that High Point Estates 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 Declaration of Protective Covenants, Conditions and Restrictions for High Point Estates, as amended ("Declaration"), the Association's Bylaws and rules and regulations, including the Leasing Rules and Regulations, as may be amended, which are hereby incorporated into this Lease. 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 and guests 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 Landlord, Tenant, or any occupant or person living with Tenant, of any provision of this Addendum, the Declaration, Bylaws or Association rules 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 or this Lease. Further, the Association may exercise its authority to suspend utilities and/or services as provided in the Declaration and Georgia Law. 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 cost 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, a fine may be assessed against Tenant and/or Landlord, as provided in the Declaration and Bylaws. Landlord and Tenant acknowledge and agree that, should Tenant continue to occupy the Lot after termination or expiration of the Lease, the Association shall not be required to afford Tenant access onto the Common Property of High Point Estates.

3. PETS AND USE OF UNIT. If Landlord permits Tenant to keep pets at the Lot, Tenant must comply with all Association regulations and Section 5.13/5.15 of the Declaration regarding animals, including the restriction permitting no more than 3 pets per dwelling unit. The Lot is restricted to residential use, and Tenant shall use the Lot only for residential purposes as provided in the Declaration. Tenant shall not make any alterations or modifications to the exterior of the Unit except with written approval of Landlord and the Association. Tenant may not allow occupancy of the dwelling unit located on the Lot by more than two people per bedroom in the Lot, or such lesser number as specified by Landlord in the Lease Agreement.

4. PAYMENT OF ASSESSMENTS. Upon request by the Association when Landlord is delinquent in the payment of assessments or charges owed to the Association, Tenant shall pay to the Association all unpaid annual and special assessments 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 for and pay the Association all late or delinquent charges, interest, costs of collection and reasonable attorneys' fees actually incurred, to the same extent Tenant would be required to make such payments to the Association if Tenant were the owner of the Lot during the term of this Lease and any other period of occupancy by Tenant. If Tenant fails to pay such sums when owed, Tenant shall be liable to the Association for all sums owed to the Association by Owner, plus such additional fees, collection costs and charges authorized under the Declaration. Landlord hereby waives any rights and claims against the Association under any applicable law related to disclosure of any Landlord debt to Tenant in connection with exercising the rights hereunder.

5. 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 Elements affecting the Unit 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.

6. USE OF COMMON ELEMENTS. 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 the Association may notify the Tenant of any suspension of common element use privileges caused by the Landlord's delinquency. The Association shall not be liable to Landlord, Tenant or other Person for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other Person, or resulting from any use or operation of the Common Property or any of its improvements, fixtures, and facilities, unless such injury or damage results directly and solely from the gross negligence of the Association.

IN WITNESS WHEREOF, the parties have executed this Addendum the day and year noted below.

TENANT: _____
(Signature/Print Name)

LANDLORD: _____
(Signature/Print Name)

TENANT: _____
(Signature/Print Name)

Offsite Address: _____

Date: _____

Date: _____ Unit: _____

Email: _____ Phone: _____

Email: _____ Phone: _____

Lot Address: _____
