

**Lawrence Woods Homeowners' Association, Inc.**  
**Resolution to Amend Declaration of Covenants, Conditions and Restrictions**

The Board of Directors of Lawrence Woods Homeowners' Association, Inc. is proposing the following amendments to the Declaration of Covenants, Conditions and Restrictions ("Declaration") for Lawrence Woods. For these Amendments to be adopted, 75% of the Lot owners must sign in favor.

**PROPOSED AMENDMENTS:**

**If the Amendments are adopted, Article IV, Section 4.12 of the Declaration shall be deleted in its entirety and replaced with the following:**

4.12. Leasing.

(a). General Purposes of Rental Restrictions. The Association's members wish to ensure residents within Lawrence Woods share the same proprietary interest in and respect of the Lots and the Common Areas. They also want to encourage residents to not only maintain property values but also to improve them, and recognize that Owner occupants have more incentive to do so than non-Owner occupants. Thus, the provisions of this Section 4.12 shall be applicable.

(b). "Rental" and "Lease" Defined. The "Rental Cap" as described in this Section 4.12 is intended to apply to all forms of non-Owner occupancies, except as specifically provided herein. For the purposes of this Section 4.12, "rented" or "leased," as used interchangeably herein (or any variation thereof, singular or plural), shall mean leased or rented or occupied, whether or not for compensation of any kind, by anyone other than an Owner of the Lot together with members of his or her household or temporary guest. However, the Rental Cap provided in Section 4.12(c) and Waiting Period described in 4.12(d) will not apply to any situation where a Lot is occupied by members of the Owner's immediate family. For purposes of this Section 4.12, "immediate family" shall only include the Owner's parents, children, stepparents, stepchildren, or spouse. This kind of "family" occupancy will not be considered to be a "rental" in the context of the Rental Cap or Waiting Period; provided, however, the Owner and occupants will still be subject to the remaining provisions and requirements of this Section 4.12.

Any Lot owned by a Trustee or by a Fiduciary shall not be deemed to be a rental, provided that the resident is the Trustee, the Fiduciary of an Estate, or a beneficiary of the Trust or Estate, and further provided that no rent, payment,

service or other consideration is paid or provided to the Owner or any other party or entity in connection with that occupancy.

If a Lot is owned by a corporation or business entity (including, without limitation, a partnership, corporation, limited liability company, business or other entity), any occupancy of such Lot will be deemed a rental for the purpose of this Section 4.12. Similarly, all occupancies of a Lot by representatives, employees, agents, guests, or lessees of a corporation, limited liability company, partnership, business or other entity are considered rentals.

(c). Limits on the Number of Rented Lots. No more than ten percent (10%) of the Lots in Lawrence Woods may be rented at any given time, except as may be otherwise provided in this Section 4.12 (the "Rental Cap"). If at any time such number of Lots are rented, an Owner who wants to rent or lease his or her Lot which is not already rented shall be placed on a waiting list. When an existing tenant moves out, the Owner of that Lot shall immediately notify the Board or Managing Agent of such fact. Additionally, when an existing tenant moves out, the Owner must re-rent the Lot within sixty (60) days of the tenant vacating the Lot. If the Owner does not re-rent the Lot within sixty (60) days of the tenant moving out, the Owner will go to the back of the waiting list and that Lot cannot be re-rented until all prior Owners on the waiting list, if any, have had a chance to rent their Lots. Prior to the execution of any lease, the Owner must notify the Association as to that Owner's intent to lease his or her Lot.

(d). Five-Year Waiting Period ("Waiting Period"). In addition to all other provisions of this Section 4.12, for a period of at least five (5) years after an Owner's acquisition of title to a Lot, said Owner cannot lease or rent such Lot. After such time, said Lot will be eligible to be leased if all other conditions of this Section 4.12 are satisfied and the Rental Cap has not already been reached. The Board may, at its discretion, grant exceptions to this requirement upon an Owner's showing of undue hardship, as set forth in Section 4.12(f) herein.

(e). Effective Date of "Rental Cap" on Existing Rentals. Within thirty (30) days of the date on which this Amendment is recorded in the Marion County Recorder's Office (the "Recording Date"), the Association will provide written notice to the Owners. The Rental Cap and Waiting Period shall not apply to the Owner of any Lot which, as of the Recording Date, is rented by its Owner to a non-Owner occupant, so long as the Owner-landlord mails or delivers to the Managing Agent (at the address shown in the notice of the Recording Date), within sixty (60) days after the Recording Date, a copy of each executed lease of such Owner-

landlord's Lot(s) which is in effect as of the Recording Date. The Owners of such Lots shall not be subject to the Rental Cap or Waiting Period but shall be subject to the remaining provisions of this Section 4.12. However, when the Owners of record of any of the pre-Recording Date rented Lots sell, transfer or convey such Lot(s) to another Owner after the Recording Date, such Lot(s) shall immediately become subject to the Rental Cap and Waiting Period. The failure of any Owner of a rented Lot to deliver a copy of such pre-Recording Date lease within said sixty (60) day period shall result in said Owner's Lot being subject to the Rental Cap and Waiting Period (from and after the date of expiration of such pre-Recording Date lease, without opportunity for renewal). Any Lot falling under the exception of this Section 4.12(e) shall, nevertheless, be counted as one of the ten percent (10%) of Lots that may be rented.

(f). Hardship Exceptions and Waiver. If an Owner wishes to rent his or her Lot, but the maximum number of Lots is currently being rented, the Owner may request the Board to waive the Rental Cap if the Owner establishes to the Board's satisfaction that the Rental Cap will cause undue hardship. If the Board approves in writing of the Owner's request, the Owner may rent said Lot, subject to any further conditions or limitations imposed by the Board in the Board's discretion, but only if the Owner satisfies all other requirements of Section 4.12. Such decision is at the sole discretion of the Board. An undue hardship is defined as:

- i. Temporary relocation of the residence of an Owner to a point outside of a fifty (50) mile radius of the perimeter of Lawrence Woods made necessary due to a change of employment of at least one (1) of such Owners;
- ii. Necessary relocation of the residence of an Owner due to mental or physical infirmity or disability of at least one (1) of such Owners; or
- iii. The Owner is a reservist in the United States Armed Forces who is called to temporary active duty or is active-duty personnel in the United States Armed Forces, and is temporarily deployed more than fifty (50) miles from the Lot.

If an Owner wants an exception based upon hardship circumstances other than those specifically defined above, the Owner must submit a written request describing the hardship. The Board may approve or deny such requests as it deems appropriate on a case-by-case basis.

(g). General Lease Conditions.

- i. All leases, including renewals, must be in writing, and no lease shall be entered into for a term of less than one (1) year. Owners cannot lease, rent or operate their Lot on a hotel, transient or short-term rental basis, which is defined as a term of less than one (1) year. This short-term rental prohibition includes, but is not limited to, the use of a short-term rental platform through which unaffiliated parties offer to rent a home or portion thereof to an occupant and collects consideration for the rental from the occupant.
- ii. A copy of each executed lease by an Owner which identifies the tenant (but which may have the rental amount deleted) shall be provided to the Board or the Managing Agent by the Owner within fifteen (15) days after execution. Additionally, the Owner must provide to the Board or Managing Agent the names and contact information of all tenants who will live in the dwelling; and
- iii. No portion of any Lot other than the entire Lot shall be leased or rented for any period. No subleasing is permitted.
- iv. All leases must be made expressly subject and subordinate in all respects to the terms of the Declaration, By-Laws, Articles of Incorporation, and any rules and regulations adopted by the Board, to the same extent as if the tenant were an Owner and member of the Association. The Owner shall supply copies of such legal documents to the tenants prior to the effective date of the lease.
- v. All leases shall provide for direct action by the Association and/or any Owner against the tenant with or without joinder of the Owner of such Lot. If such provision is not in the lease, it will be deemed to be in such lease.
- vi. The Owner cannot be delinquent in the payment of any assessments or other charges to the Association. If at any time an Owner becomes delinquent, the Board shall have the right to revoke said Owner's right to lease the Owner's Lot, even if during the term of a lease.

(h). Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his or her responsibility to the Association for compliance with the provisions of the Declaration, the By-Laws, and any rules and regulations promulgated by the Board of Directors, or from the Owner's liability to the Association for payments of assessments or any other charges.

(i). Violations. Any lease or attempted lease in violation of the provisions of this Section 4.12 is voidable at the election of the Board. In the event of a violation of the requirements of this Section 4.12, the Association or any Owner has the right to exercise all available remedies at law or equity, including, without limitation, bringing an action for injunctive relief to remove the tenant(s). In the event of violation of this Section 4.12, the Association shall have the right to recover the costs associated with enforcement, including, but not limited to, attorney fees.

(j). Burden of Proof. Anything to the contrary herein notwithstanding, if at any time a Lot is not occupied by one of the Owners thereof, there shall be a presumption that the Lot is being leased and subject to the provisions of this Section 4.12, and the Owners shall have the burden of proving to the satisfaction of the Board that the occupancy is not in violation of the terms of this Section 4.12, including, without limitation, providing a written statement of the nature and circumstances of the occupancy and any written document or memorandum that is the legal basis for the occupancy. For purposes of Section 4.12 and this Section 4.12(j), any occupancy pursuant to a rent to buy contract or similar arrangement or pursuant to any option to purchase by anyone other than an Owner is deemed to be a lease or rental arrangement subject to the restrictions of this Section 4.12. Any purported land contract, contract for deed, or similar agreement must be recorded with the Marion County Recorder to be deemed valid. If such land contract, or a validly-executed memorandum thereof, is not recorded at the time of execution, it will be considered a rental agreement for purposes of this Section 4.12.