

Article 8

Restrictions on Leasing

8.1 General. In order to protect the equity of the individual members, to carry out the purpose for which the Association was formed by preserving the character of the Community as a residential community of predominantly owner-occupied homes and by preserving the Community from assuming the character of a renter-occupied neighborhood, leasing of Units shall be governed by the restrictions imposed by the Article.

No Owner may lease his or her Unit unless the Owner has received either a leasing permit or a hardship leasing permit, in writing, from the Board of Directors, all as may be more specifically set forth below. A leasing permit or hardship leasing permit will allow an Owner to lease his or her Unit in accordance with the terms and conditions set forth in this Section and in accordance with the rules and regulations of the Association and the covenants and conditions set forth in the Declaration. Notwithstanding anything to the contrary herein, leasing permits and hardship leasing permits shall only be valid as to a specific Owner and Unit and shall not be transferrable between Units or subsequent Owners.

For purposes of the Article 8, leasing means the regular, exclusive occupancy of a Unit by any Person(s) other than the Owner for which the Owner received any consideration or benefit, including, but not limited to, a fee, rent, gratuity or emolument. For purposes hereof the following shall not constitute leasing: (a) occupancy of the Unit by member of the Owner's family; (b) occupancy of the Unit by a roommate of an Owner-Occupant; (c) occupancy of the Unit by one or more wards if the Unit is owned by their legal guardian; or (d) occupancy of the Unit by one of more beneficiaries of a trust if the Unit is owned in trust by the trustee.

8.2 Leasing Permits. Any Owner desiring to lease a Unit shall submit a written request regarding the same to the Board of Directors. The Board of Directors shall automatically approve an Owner's request for a leasing permit and shall issue the same if less than ten percent (10%) of the Units in the Community are leased. If ten percent (10%) or more of the Units in the Community are leased, no additional leasing permits shall be issued, except for hardship leasing permits as provided below, until that number falls below ten percent (10%). Owners who have been denied a leasing permit shall be placed on a waiting list to be issued such a permit. When the number of leased Units falls below ten percent (10%), the Owner at the top of the waiting list shall be issued a leasing permit and shall have ninety (90) days to lease such Unit at which time if the Unit is not leased, the leasing permit shall be revoked and the Owner shall automatically be placed at the bottom of the waiting list. Notwithstanding anything to the contrary herein, the issuance of a hardship leasing permit to an Owner shall not cause such Owner to be removed from the waiting list for a leasing permit.

Leasing permits are automatically revoked upon: (a) the sale or transfer of a Unit to a third party (excluding sales or transfers to an Owner's spouse); (b) the failure of an Owner to lease his or her Unit within ninety (90) consecutive days at any time after the issuance of such leasing permit; or (c) the occupancy of the Unit by the Owner.

8.3 Hardship Leasing Permit. If an Owner must lease his or her Unit to avoid an undue hardship, the Owner shall apply to the Board in writing for a hardship leasing permit. The Board may issue or deny requests for hardship leasing permits in its discretion after considering the following factors, which include, but are not limited to: (a) the nature, degree and likely duration of the hardship; (b) the harm, if any, which will result to the Community if the hardship leasing permit is approved; (c) the number of hardship leasing permits which have been issued to other Owners; (d) the Owner's role in causing the hardship or ability to cure the hardship; and (e) whether previous hardship leasing permits have been issued to the Owner.

A hardship hereunder shall include, but not be limited to, the following situations: (a) an Owner dies and the Unit is being administered by his or her estate; (b) an Owner must relocate outside metropolitan Atlanta and cannot, within six months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after making reasonable efforts to do so; or (c) an Owner takes a leave of absence or temporarily relocates out of the metropolitan Atlanta area and intends to return to reside in the Unit within one year.

Hardship leasing permits shall be valid for a term not to exceed one (1) year. Owners may reapply for additional hardship leasing permits at the expiration of a hardship leasing permit in accordance with the procedures set forth herein.

8.4 Transient Rentals. Notwithstanding anything herein to the contrary, under no circumstances shall a Unit be leased, rented or used for short-term transient or hotel purposes or rented through short-term internet rental services, including, without limitation, VRBO, Airbnb, HomeAway, or such other similar rental services.

8.5 Leasing Provisions. Leasing Authorized under this Article shall be governed by the following provisions:

(a) **Notice.** Within ten (10) days after executing a lease agreement for the lease of a Unit, the Owner shall provide the Board of Directors with the following information: (i) a copy of the fully executed lease agreement; (ii) the name of the lessee and all other people occupying the Unit; (iii) the phone number of the lessee; (iv) the Owner's address and telephone number other than at the Unit; and (v) other such information as the Board may reasonably require.

(b) **General.** Units may be leased only in their entirety; rooms, basements or fractions or portions of a Unit may not be leased without the prior written approval of the Board of Directors. All leases shall be in writing. There shall be no subleasing of Units or assignment of leases unless approved in writing by the Board of Directors. All leases must be for an initial

term of at least one (1) year, except with written approval by the Board of Directors, which shall not be unreasonably withheld in cases of undue hardship. The Owner must provide the lessee copies of the Declaration, Bylaws and the rules and regulations and the lease shall provide that the Owner has made available to the lessee copies of the Declarations, Bylaws, and the Association's rules and regulations.

(c) Compliance: Liability for Assessments. If a Unit is leased or occupied in violation of this Article, then the Board of Directors shall be authorized, in addition to all other available remedies, to terminate the lease and occupancy, and to suspend all voting rights and the right to use and enjoy the Common Property of the Owner and any unauthorized tenant(s) or Occupant(s). Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(i) Compliance with Declaration, Bylaw and Rules and Regulations. Lessee shall abide by and comply with all provisions of the Declaration, Bylaws and rules and regulations adopted pursuant thereto. Lessee shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure such compliance. The Owner agrees to cause all Occupants of his or her Unit to comply with the Declaration, Bylaws and the rules and regulations adopted pursuant thereto and is responsible for all violations caused by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Declaration, Bylaws and rules and regulations adopted pursuant thereto.

In the event that the lessee or a person living with the lessee violates the Declaration, Bylaws or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with the provisions contained herein. If the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Declaration, Bylaws or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any guest of the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law.

(ii) Liability for Assessments; Assignment of Rent. If an Owner who is leasing his or her Unit fails to pay any general, special or specific assessment or any other charge owned to the Association for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the Assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board of Directors, lessee shall pay to the Association all unpaid general, special and specific

assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by the 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 of Director's request. All such payments made by the lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board of Director's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if the 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.

(iii) Right to Common Property. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property.

8.6 Exemptions. The provisions of this Article shall not apply to the Association or any Mortgagee in possession of a Unit through foreclosure or otherwise as a result of the exercise of any rights arising out of a first priority Mortgage on a Unit; provided, however, any leasing transaction entered into by the Association or any Mortgagee in possession of a Unit through foreclosure shall comply with the requirements in Section 8.5 hereof.

8.7 Rights Reserved for Declarant. Notwithstanding the restriction on the leasing of Units as described herein, Declarant may enter into a lease agreement for the lease of a Unit and the extent and duration of said lease agreement shall be determined solely by Declarant. Declarant may also grant an Owner the right to lease a Unit for any reason and the extent and duration of said privilege granted by Declarant shall be determined solely by Declarant. Under such circumstance, Declarant shall not be required to obtain a leasing permit or a hardship leasing permit as provided herein but shall comply with the requirements in Section 8.5 hereof. Any ability to lease a Unit granted by Declarant shall be valid and may not be terminated by the Association so long as the Occupants comply with the terms and conditions imposed by the Declarant.

Notice of Intent to Lease

In accordance with Article 8, "Restrictions on Leasing" as contained in the Association's Covenants/By-Laws, *"The Board of Directors shall automatically approve an Owner's request for a leasing permit and shall issue such leasing permit if less than ten percent (10%) of the Units in the Community are leased"*

Additionally, "Leasing permits are automatically revoked upon: (a) the sale or transfer of a Unit to a third party (excluding sales or transfers to an Owner's spouse)' (b) the failure of an Owner to lease his or her Unit within (90) consecutive days at any time after the issuance of such leasing permit' or (c) the occupancy of the Unit by the Owner."

THEREFORE: Pursuant to Section 8.4, "Leasing Provisions"

- (a) Notice: Within ten (10) days after executing a lease agreement for the lease of a Unit, the Owner shall provide to the Board of Directors with the following information: (i) a copy of the fully executed lease agreement; (ii) the name of the lessee and all other people occupying the Unit; (iii) the phone number of the lessee; (iv) the Owner's address and telephone number other than at the Unit; and (v) other such information as the Board may reasonably require.*
- (b) General: Units may be leased only in their entirety; rooms, basements or fractions or portions of a Unit may not be leased without the prior written approval of the Board of Directors. All leases shall be in writing. There shall be no subleasing of Units or assignment of leases unless approved in writing by the Board of Directors. All leases must be for an initial term of at least one (1) year, except with written approval by the Board of Directors, which shall not be unreasonably withheld in cases of undue hardship.*

The Lease Agreement must contain the complete name(s) and contact information for each tenant and must include the following language:

"We/I the tenant(s) agree to be subject to the terms and conditions of the Association's Declaration, Bylaws, and Rules and Regulations. We/I understand that failure to comply will result in applicable fine(s) to be levied due and payable in full to the Association within ten (10) days of such assessment. We/I also understand that repeated failure to comply with any aspect of said Association governing documents may result in termination of this lease."

SOUTH ON MAIN - MASTER HOMEOWNERS' ASSOCIATION, INC

Owners desiring to lease their unit need to:

- **Read the first 5 pages of this document in detail.**
- **Complete and Sign this Notice of Intent to Lease.**
- **Send the completed form to: Association manager for South on Main, by either:**
 - Email: JohnNorwood@fieldstonerp.com
 - By US Mail:
South on Main Homeowner's Association
2675 Paces Ferry Rd, Ste 125,
Atlanta, GA 30339

Property Owner(s):	(Please Print)
Property Address:	
Off-Site Address:	
Phone Number:	
Email:	
Intended Lease Start:	____ / ____ / 20____
Intended Lease End:	____ / ____ / 20____

The above Property Owner(s) agree to submit to the HOA Board of Directors, through the property manager, a new 'Notice of Intent to Lease' for each occurrence of proposal to lease this or any other property owned by same in the South on Main Homeowners Association, Inc. Said 'notice' shall be subject to the prevailing rules and restrictions regarding rental property at the time of request.

Owner(s): _____ Date: ____ / ____ / ____
Signature

For Office Use: ____ Approved _____ Officer Signature Approver: _____ Date: _____ ____ Disapproved (See attached support documentation)	SOUTH ON MAIN HOMEOWNERS' ASSOCIATION, INC.
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