

15. Rental and Leasing Restrictions: The Association understands that one of the biggest investments an individual or family can make is the purchase of a home. That investment is not only financial in nature, but also involves an investment into the community, school system and neighborhood in which that person or family resides. As a result, the Association recognizes that Owners have an invested interest in not only maintaining their homes and property values, but to improving and updating their homes in a way in which renters do not. The purchasing of a home is often a long-term investment, while renting a home may only require a year long commitment. The Owner is both psychologically and financially invested in the Association to a greater extent than a renter, and as a result, the purpose of this section is to protect the property value of the Owner.

A. Limiting the Number of Lots Available to Rent: No more than five percent (5%) of Lots within the Association may be leased or rented to a non-Owner, except as provided in this section. There are currently two-hundred and fourteen (214) Lots in the Association and therefore the maximum number of rentals cannot exceed eleven (11) Lots. If at any time such number of Lots are leased or rented, an Owner who wants to lease or rent their Lot shall be placed on a waiting list by the Board. The Board shall keep and maintain this list. When an existing tenant moves out, the Owner of that Lot shall immediately notify the Board of such fact and shall have up to ninety (90) days from the date the existing tenant moves out to enter into a new lease with another tenant, and to provide a copy of such lease to the Board. If the Owner of the Lot does not enter into a new lease within the above described timeframe, then the Lot cannot be re-rented until all prior Owners on the waiting list, if any, have had a chance to rent their Lot. Prior to the execution of any lease, and in addition to the requirements set out below, the Owner must notify the Board as to their intent to rent or lease any Lot in the Association. After receiving this notice from an Owner, the Board shall advise the Owner whether the maximum number of Lots within the Association are rented. If the maximum number of Lots are rented, the Board shall notify the Owner of their position on the waiting list.

B. Effective Date of Rental and Leasing Restrictions: Within fifteen (15) days after the date on which this amendment is recorded in the Office of the Recorder in Hendricks County ("the Recording Date"), the Board shall provide written notice to all Owners setting forth the Recording Date. The Rental and Leasing Restrictions of subsection (A) shall not apply to the Owner of any Lot in the Association which, as of the Recording Date, is rented or leased by its Owners to a non-Owner occupant, so long as the Owner-landlord mails or otherwise delivers to the Board, within sixty (60) days after the Recording Date, a copy of such executed lease of such Owner-landlord's Lot which is in effect as of the Recording Date. Those Lots shall be referred to as "Grandfathered Dwelling". Such lease copies may have the rental amount removed, together with any personal identifying information such as social security numbers. The Owner of any Grandfathered Dwelling shall not be subject to the restriction in subsection (A) but shall be subject to the remaining provisions in this Section 15. However, when any Owner of any Grandfathered Dwelling sells, transfers or conveys such Lot to another Owner after the Recording Date, such Lot(s) shall immediately be subject to the Rental and Leasing Restrictions.

If any Owner-landlord of a leased or rented Lot fails to deliver to the Board a copy of such preRecording Date lease within the sixty (60) day timeframe described above, it will result in the Owner-landlord's Lot being subject to the Rental and Leasing Restrictions. However, in no event shall the Rental and Leasing Restrictions apply to any lease executed prior to the Recording Date or to any renewals thereof provided for in any such lease executed prior to the Recording Date or to any renewal thereof provided for in such leases, so long as the Lot continues to be occupied by one or more of the non-Owner occupants as of the Recording Date. Any Lot that falls under the exception of this Subsection (B) shall,

nevertheless, be counted as one of the 11 (eleven) Lots that may be rented or leased at any given time, even though such maximum does not apply to restrict the Owner of such pre-Recording Date lease Lot.

C. Hardship Exceptions and Waiver: Notwithstanding subsection (A) above, if an Owner wishes to rent or lease his or her Lot, but the maximum number of Lots is currently being rented or leased, the Owner may request the Board to waive the Leasing and Rental Restrictions and approve of the proposed lease if the Owner establishes to the Board's satisfaction that the rental and leasing restrictions will cause undue hardship. If the majority of the Board approves in writing of the Owner's request, the Board shall permit the Owner to rent or lease 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 in this Section 15. Such decisions shall be at the sole discretion of the Board.

D. General Lease Conditions: All leases, including renewals, shall be in writing, and no lease shall be entered into for an initial term of less than one (1) year without prior written consent from the Board. However, in no event will an Owner be permitted to rent his or her Lot for an initial term of less than ninety (90) days. No portion of the Lot other than the entire Lot shall be rented or leased for any period. No subleasing shall be permitted without prior written consent of the Board. All leases shall be made expressly subject to and subordinate of the Covenants, By-Laws and Articles of Incorporation of the Association, as amended, to the same extent as if the tenant were an Owner and member of the Association. This allows the Association to take direct action against an Owner and tenant with or without joinder of the Owner of the Lot. If such provision is not in the lease, it will be deemed to be in such lease. The Owner of a rented Lot shall supply copies of such legal documents to the tenants prior to the effective date of the lease. The Owner cannot be delinquent in the payment of any assessments or other charges to the Association. If at any time the Owner becomes delinquent, the Board shall have the right revoke said Owner's right to rent or lease the Lot, even if during the term of a lease. All Owners who lease or rent their Lot shall provide the Board with the name of the tenant(s) and any other residents living in the dwelling, together with contact information including but not limited to a telephone number and e-mail address. Also, the Owner shall provide the Board with the Owner's contact information such as address, phone number and e-mail. To be eligible to lease his or her Lot, the Owner cannot be in violation of any provisions of these Covenants, the By-Laws or the rules and regulations adopted by the Board, all as amended. If at any time an Owner violates any such provision through the actions or omission of the Owner's tenant, 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.

E. Five Year Waiting Period: In addition to all other provisions of this Section 15, for a period of at least five (5) years after an Owner acquires a Lot, said Owner cannot lease such Lot. After such time, said Lot will be eligible to be leased if all other conditions of this section are satisfied and provided further that the Owner is not delinquent in the payment of any assessments or other charges to the Association. Notwithstanding this Subsection, if an Owner wishes to lease their Lot prior to the end of the five-year waiting period, the Owner may apply to the Board for a waiver. If a Lot enjoys the status as a Grandfathered Dwelling as described in subsection B, then the five-year waiting period will not apply for as long as the Lot described is considered a Grandfathered Dwelling.

F. Owner 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 and the other Owners for compliance with the provisions of the Covenants, By-Laws or Articles of Incorporation, or any rules promulgated by the Board, or from the Owner's liability to the Association for payments of assessments or any other charges.

G. Association's Copy of the Lease: A copy of each executed lease by an Owner which identifies the tenant (but which may have the rental amount deleted as well as any personal identifying information) shall be provided to the Board by the Owner within thirty (30) days after execution.

H. Violations: Any lease or attempted lease of a Lot in violation of this Section 15 shall be voidable at the election of the Board or any other Owner, except that neither party to such lease may assert this provision of this Section 15 to avoid its obligations thereunder. In the event of a violation, the Board, on behalf of the Associations, or any Owner, shall have the right to exercise any and all available remedies in law or equity.

I. Institutional Mortgagees: The provisions set forth in this section 15 shall not apply to any institutional mortgagee of any Lot which comes into possession of the Lot by reason of any remedies provided in law or equity or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure. However, when a Lot is sold or conveyed by such an institutional mortgagee to a subsequent purchaser, that subsequent purchaser shall be bound by the provisions of this Section 15.

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 or rented and subject to the provisions of this Section 15 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 15, including but not limited to the delivery to the Board of directors of a written statement of the nature and circumstances of the occupancy and any written documentation or memorandum that is the legal basis for the occupancy. For purposes of this Section 15 and this subsection (J), any occupancy (including occupancy pursuant to a rent-to-buy contract or similar arrangement or pursuant to any option to purchase) by anyone other than an Owner shall be deemed to be a lease, rental or other similar arrangement, unless the Owner delivers to the Board a written purchase contract, conditional sales contract or similar contract whereby the occupant is unconditionally and presently legally obligated to purchase the Lot.

K. Certain Lots not counted as rentals. The provisions of this Section 15 will not apply to any situation where a Lot is occupied by one or more family members of the Lot Owner. Thus, this kind of occupancy will not be considered a "rental". Furthermore, any Lot owned by a Trust or an Estate will not be considered a "rental" if the resident is (1) the Trustee, (2) the Fiduciary of an Estate, or (3) a beneficiary of the Trust or Estate.