

ARTICLE V. PROTECTIVE COVENANTS

Section 10. Leasing.

- a. For purposes of this section, a “lease” shall refer to the regular, exclusive occupancy of a residence by any person other than the Owner, for which the Owner receives any monetary or non-monetary consideration or benefit including, without limitation, a fee, service, or gratuity.
- b. A lease of a Lot and the Improvements thereon is subject to the following conditions:
 - i. the lease must be for single-family residential purposes only;
 - ii. the lease must be in writing (the “Lease Agreement”) and shall provide that the terms of such lease shall be subject in all respects to the provisions of the Declaration, Bylaws and Association Rules (the “Governing Documents”), as then existing and as may be amended or modified thereafter;
 - iii. the minimum lease term shall be 6 months;
 - iv. no Lot or portion thereof shall be advertised at daily or weekly rental rates or for a lease term of less than 6 months, and all rental advertisements must clearly state that the lease is for a term is 6 months or longer;
 - v. no Lot or portion thereof shall be leased or used (x) for hotel, transient or vacation rental (similar to AirBnb or VRBO) purposes or (y) in a manner that would be subject to payment of hotel tax under applicable law;
 - vi. the Board of Directors must expressly consent to any sublease or assignment of a lease;
 - vii. the Board of Directors must expressly consent to any new lease to be effective within 6 months of the commencement date of a previous lease, such consent not to be withheld if the Board of Directors determines that the circumstances do not indicate any plan or intent by the Owner to circumvent the requirements of this provision.
- c. The Owner shall provide the tenant(s) with copies of the Governing Documents at the same time the lease is executed, and the Owner shall expressly acknowledge having provided such Documents to the tenant(s) in the Lease Agreement. Any failure by the tenant(s) to comply with the terms of the Governing Documents shall constitute a default under the Lease Agreement.
- d. Within ten (10) days after the execution of a Lease Agreement for rental of any Lot and the Improvements thereon, the Owner shall give written notice to the Board of Directors, which notice shall set forth the name(s) of the tenant(s) and the length of time of the lease is in effect. The Owner shall also provide to the Association all additional information that the Association reasonably requires concerning the lease and tenant(s).
- e. The Association may adopt rules to implement this restriction.
- f. The Owner shall be responsible for the tenant(s)’ compliance with the terms of the Governing Documents, as well as Owner’s own compliance with the terms of such documents. Violation of this provision or any rule(s) implementing this provision shall be subject to a daily fine of the greater of the advertised daily rental rate or \$1,000.