

## LEASES

### GRAND OAKS MASTER ASSOCIATION, INC.

6. Section 12.23 of the Declaration is hereby deleted and replaced in its entirety by the following:

12.23. Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home.

12.23.1. Lease Requirements. All leases or occupancy agreements of Homes (collectively, "Lease Agreements") are subject to the following provisions:

12.23.1.1. All Lease Agreements shall be in writing. A copy of all Lease Agreements shall be provided to Association if so requested by Association;

12.23.1.2. All Lease Agreements, together with an application signed by both the Owner and tenant, in a form approved by Association, shall be submitted to Association at least seven (7) days prior to commencement of the lease term;

12.23.1.3. The Owner shall pay the lease application fee prescribed by Association. The initial lease application fee shall be twenty five dollars (\$25.00) and may be increased from time to time;

12.23.1.4. The Owner shall conduct a background check on each prospective tenant at such Owner's cost and expense and at the request of Association shall provide such background check to Association;

12.23.1.5. No Lease Agreement may be for a term of less than one (1) year;

12.23.1.6. No Home may be leased more than two (2) times in any calendar year unless otherwise approved by Association in the case of hardship;

12.23.1.7. The tenant, as part of the Lease Agreement, shall agree to abide by and adhere to the terms and conditions of this Declaration together with all Rules and Regulations and all policies adopted by Association;

12.23.1.8. The Owner shall agree to remove, at the Owner's sole expense, by legal means including eviction, his or her tenant should the tenant refuse or fail to abide by and adhere to this Declaration, the Rules and Regulations and any other policies adopted by Association; Notwithstanding the foregoing, should an Owner fail to perform his or her obligations under this Section, the Association shall have the right, but not the obligation, to evict such tenant and the costs of the same shall be the responsibility of Owner;

12.23.1.9. All Lease Agreements shall require the Home to be used solely as a private single family residence;

12.23.1.10. Each Lease Agreement shall contain a uniform attachment (the "Uniform Lease Exhibit") incorporating provisions that require the tenant(s) to abide by the Declaration and Bylaws, Rules and Regulations of the Association which govern the Home. The Uniform Lease Exhibit shall contain other provisions deemed necessary by the Board of Directors from time to time.

Failure to incorporate such Uniform Lease Exhibit into the terms of any lease shall cause such lease to be void; and

12.23.1.11. Each Lease Agreement shall contain the Uniform Lease Exhibit designating the Association's duly authorized officer as the Owner's attorney-in-fact for the purpose of and with the authority to terminate any such Lease Agreement in the event of violations by the tenant of any covenant; provided, however, the Association first shall give the Owner notice of such violations and opportunity to terminate such Lease Agreement within ten (10) days of such notice by the Association.

12.23.2. Maximum Number of Tenant Occupants per Home. Each leased Home shall be occupied by tenants, members of the tenant's family, overnight guests and professional caregivers as a residence and for no other purpose. The maximum number of tenant occupants in any Home, including overnight guests and professional caregivers, shall be as follows:

12.23.2.1. In the event the Home contains two (2) bedrooms, no more than four (4) persons shall be permitted.

12.23.2.2. In the event the Home contains three (3) bedrooms, no more than six (6) persons shall be permitted.

12.23.2.3. In the event the Home contains four (4) bedrooms, no more than eight (8) persons shall be permitted.

12.23.3. Right to Use Common Areas. During such time as a Home is leased, the Owner of such Home shall not enjoy the use privileges of the Common Areas appurtenant to such Home.

12.23.4. Security Deposit. Each Owner shall collect from their respective tenant and remit to the Association a security deposit in the amount of Two Hundred and No/100 Dollars (\$200.00), or such other amount as determined by the Board from time to time, to cover expenses related to the maintenance and repairs of the Home and/or damage caused to the Common Areas by the tenant, members of the tenant's family, or the tenant's guests and invitees. The Association shall be entitled to apply the deposit to any tenant obligations in connection with the Home, Common Area, or otherwise described in this Declaration; provided, that, the tenant does not undertake obligations after notice from the Association. Unless otherwise applied as provided herein, the deposit shall be returned to the Owner upon termination of the lease term after the Association receives notice of such termination. In the event that the Owner does not comply with this Section, the Association may charge the deposit to the Owner as an Individual Assessment. Notwithstanding anything to the contrary herein, the leasing of a Home to a tenant and the collection of the deposit referred to herein from an Owner shall not reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements, or obligations to be performed hereunder.

12.23.5. Amendment. After the Turnover Date, this Section 12.23 may be amended with the approval of sixty six and two-thirds percent (66-2/3%) of all the votes (in person or by proxy) of the Association at a duly called meeting of the Members.