

**Proposed Amendment to the  
Amended and Restated Declaration  
of  
Covenants, Conditions and Restrictions  
Erickson Meadows**

Section 5.10 of the Erickson Meadows Declaration currently governs the leasing of Units at Erickson Meadows. An amendment is being proposed to limit the number of Units that can be leased at any given. Pasted below is the current version of Section 5.10 and the proposed amended version. At least 67% of the Owners must approve the amendment for it to become effective.

**Current version of Section 5.10 (to be replaced):**

5.10 Leases. Any agreement for the leasing, rental, or occupancy of a Unit (hereinafter referred to as a "Lease") shall be in writing and a copy thereof shall be delivered to the Association before the term of the Lease commences. Every Lease shall provide that its terms shall be subject in all respects to the provisions of the Project Documents. Said Lease shall further provide that any failure by the resident thereunder to comply with the terms of the foregoing documents shall be a default under the Lease. If any Lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the Lease and binding on the Owner and resident by virtue of their inclusion in this Declaration. No Owner shall be permitted to lease his Unit for transient, hotel, seasonal, rental pool, or corporate executive use or purposes, which shall be deemed to be any rental with an initial term of less than six (6) months. Rentals with an initial term of less than six (6) months shall be prohibited, including daily or weekly rentals. No Owner may lease individual rooms to separate persons or lease less than his entire Unit. No mother-in-law apartments or partial leases of any kind shall be permitted. Any Owner who shall lease his Unit shall be responsible for assuring compliance by the resident with the Project Documents, and failure to do so within ten (10) days after receipt of written demand from the Board, shall entitle the Association to commence eviction proceedings against such resident tenant and neither the Association nor any agent retained by the Association to manage the Project shall be liable to the Owner or resident for any eviction under this Section that is made in good faith. Any expenses incurred by the Association, including attorney's fees and costs of suit, shall be repaid to it by such Owner. Upon failure by such Owner to make such repayment within ten (10) days of its due date, the Board may resort to all remedies of the Association for the collection thereof as a regular assessment. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Unit.

**Proposed amended version of Section 5.10 (to become effective if approved):**

5.10 Leases.

a. Lease Agreement. Any agreement for the leasing, rental, or occupancy of a Unit (hereinafter referred to as a "Lease") shall be in writing and a copy thereof shall be delivered to the Association before the term of the Lease commences.

b. Default. Every Lease shall provide that its terms shall be subject in all respects to the provisions of the Project Documents, and any violation of the Project Documents shall be a default under the Lease. If any Lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the Lease and binding on the Owner and tenant by

virtue of their inclusion in this Declaration.

c. Lease Term. No Owner shall be permitted to lease his Unit for transient, hotel, seasonal, rental pool, or corporate executive use or purposes, which shall be deemed to be any Lease with an initial term of less than six (6) months. Leases with an initial term of less than six (6) months shall be prohibited, including daily or weekly rentals.

d. Entire Unit. No Owner may lease individual rooms to separate persons or lease less than his entire Unit. No mother-in-law apartments or partial leases of any kind shall be permitted.

e. Compliance. Any Owner who leases his Unit shall be responsible for ensuring his tenant(s) compliance with the Project Documents. The Board may request an Owner to evict his tenant(s) for any violation of the Project Documents. If so requested by the Board, the Owner shall have ten (10) days after receipt of written demand from the Board to commence eviction proceedings. If eviction proceedings are not commenced within ten (10) days, then the Association may initiate proceedings on behalf of the Owner, in which case the Owner shall be responsible to reimburse the Association for all incurred expenses and costs, including attorneys' fees. If an Owner fails to pay such expenses and costs to the Association within thirty (30) days of request, the Board may pursue all remedies of the Association for the collection thereof. Neither the Association nor any agent retained by the Association to manage the Project shall be liable to the Owner or tenant for any eviction under this Section that is made in good faith.

f. Lease Limit. A maximum of five (5) Units may be leased at any given time ("Lease Limit"), unless an exemption (listed below) is approved or the law otherwise so requires.

g. Exemptions. The following classes of Owners shall be exempt from the Lease Limit:

1. Military Exemption. An Owner in the military for the period of the Owner's deployment;

2. Family Exemption. A Unit occupied by the Owner's grandparent, parent, child, grandchild, or sibling;

3. Charitable Service Exemption. An Owner who has relocated for charitable service;

4. Employment Relocation Exemption. An Owner whose employer has relocated the Owner for no less than two years;

5. Estate Planning Exemption. A Unit owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of a current resident of the Unit, or the parent, child, or sibling of the current resident of the Unit.

6. Hardship Waiver. An Owner whose lease application has been denied because the Lease Limit has already been reached and who does not otherwise qualify for an exemption, may petition the Board for a temporary waiver due to undue hardships or practical difficulties such as the Owner's death, disability, or difficulty in selling the Unit due to market conditions in the area or other similar

circumstances. The Board of Directors has absolute discretion in approving or denying an application. However, the Board of Directors may not approve a hardship application to lease a Unit for a period of more than one (1) year.

h. Grandfathered Units. Units being leased on the date this Amendment is recorded may continue to be leased until:

1. The Owner transfers the Unit by deed;
2. The Owner grants a life estate in the Unit;
3. If owned by a business entity, the Owner sells or transfers more than 75 % of its shares, stock membership interests, or partnership interests within a 12-month period;
4. The Owner occupies the Lot; or
5. An officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of an entity or trust that holds an ownership interest in the Lot, occupies the Lot.

Grandfathered Units shall count towards the Lease Limit and shall comply with all other provisions of this Section. Failure to do so will subject the Owner to the Association's remedies authorized in this Section for noncompliance of the restrictions herein. It is an Owner's responsibility to prove to the Board of Directors that the Owner is entitled to these grandfathering rights.

i. Lease Application. Each Owner desiring to lease a Unit shall apply to the Board for approval. The application shall contain all supporting documentation necessary to prove the Owner qualifies to lease his/her Unit under this Section 5.10 and any other documentation required by the Board of Directors to verify compliance herein. The Board may deny the application if it reasonably determines that the approval thereof would violate this Section 5.10.

j. Application Form; Approval Process. An application form, the application and approval process, and any other rules deemed necessary by the Board of Directors to implement this Section may be established by resolution of the Board.

k. Tenant Information. Once a lease application is duly approved in writing by the Board, an Owner shall provide any information regarding the tenants so requested by the Board of Directors including, without limitation, the names and contact information of adult tenants and vehicle descriptions.