

Section 4

Leases and Sales

In order to assure a Community of congenial resident Owners and thus protect the value of the Home, the sale or leasing of a Home by an Owner shall be subject to the following provisions:

Section 4.1 **Renting or Leasing of Home.** (10/18/2020) Homes may be rented only in their entirety; no fraction or portion may be rented. No Home Owner shall rent his/her home or a room in his/her home, for transient or hotel purposes, which includes, but is not limited to, Airbnb and VRBO. All leases must be for a term of not less than twelve (12) months except by written permission of the Board of Directors in its sole discretion. Before leasing a Home, the Homeowner must:

- 1) Have lived in the home permanently for two years before applying to the Board to become a rental property; and
- 2) Receive the approval of the Association through its Board of Directors. This requirement is necessary because of the restrictions on leasing including the percentage of Homes leased at any one time as set forth below.

No more than 10% of Homes in Cedarwood Estates are permitted to be leased at any time. Upon presentation of a proposed lease for approval, the Board of Directors shall determine the number of Homes leased at that time and shall not approve any lease which causes the number of Homes leased to exceed the maximum percentage allowed. The Board, however, shall have the option in its sole discretion to allow leasing of more than 10% of the Homes at any time to avoid undue hardship. The Owner of a Home who believes that leasing is necessary to avoid undue hardship shall make written application to the Board setting forth the pertinent circumstances and giving other notice as required herein. Circumstances which the Board may determine to impose undue hardship may include, for example, (i) where a Home Owner must relocate and cannot, within ninety (90) days from the date the Home was placed on the market, sell the Home for the current appraised market value, having made reasonable efforts to do so; (ii) the death of the Owner; and (iii) where the Owner is required by his or her employer to relocate temporarily, and intends to return to reside in the Home.

All leases and lessees are subject to the provisions of the Declaration, Bylaws, and Rules and Regulations. The Home Owner must make available to the tenant copies of the Declaration, Bylaws, and Rules and Regulations. The Board shall not discriminate against any prospective tenant on the basis of race, religion, national origin, age, disability, familial status or for any other unlawful purpose.

"Leasing" for purposes of this Declaration is defined as regular occupancy of a Home by any person other than the Owner for which the Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument.

Any lease for a Resident in Cedarwood Estates shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner Declaration and agrees that

any lease of a Home shall contain the following language and agrees that if such language is not incorporated into a lease such Declaration nevertheless applies to the Home through the existence of this covenant. Any lessee, by occupancy in a home, agrees to the applicability of this covenant and incorporation of the following language into the lease:

Section 4.2 **Compliance with Declaration, Bylaws, and Rules and Regulations.**
(10/18/2020) Lessee agrees to abide by and comply with all provisions of the Declaration, Bylaws, and Rules and Regulations adopted pursuant thereto. Owner agrees to cause all occupants of his or her Home to comply with the Declaration, Bylaws, and the Rules and Regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Residence 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 Rules and Regulations for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, 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 constitute a lien against the Home in accordance with the Planned Community Act and Declaration – 1999 Retroactive laws applied to all HOAs. Any lessee charged with a violation of the Declaration or Bylaws, or Rules and Regulations adopted pursuant thereto, is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction as set forth in the Bylaws and NC Retroactive laws applied to HOAs in 1999. G.S. 47F-3-107.1 (Procedures for fines and suspension of planned community privileges or services) and § 47F-3-116. (Lien for sums due the association; enforcement).

Any violation of the Declaration or Bylaws, or Rules and Regulations adopted pursuant thereto, is deemed to be a violation of the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with North Carolina law.

Within five (5) days of leasing of a home, the Home Owner will complete a CWE Home Rental Notification Form and send to the Secretary.

Section 4.3 **Undeveloped Lots.** Renting or leasing undeveloped or unimproved lots is expressly prohibited.