

NORTHBAY PROPERTY OWNERS ASSOCIATION

RULES AND REGULATIONS REGARDING LEASING OF DWELLINGS

A. Leasing of Property

1. There shall be no lease or rental of a Lot or any dwelling, or part thereof, for investment, commercial or business purposes. There shall be no lease or rental of a Lot or dwelling by a corporation or other commercial entity. Leasing, as otherwise regulated and permitted herein, is only allowed by an individual owning the subject property.
2. The owner of a Lot may not lease or rent a Lot or any dwelling, or any part thereof, without the prior written approval of the Board of Directors.
3. Board of Directors may allow a lease of a dwelling only when the Board determines there is a hardship on the owner(s) such as an unavoidable extended absence by the owner from his or her primary residence. Determination of hardship is solely within the discretion of the Board. The use of the foregoing example does not mean that such a circumstance is a hardship as each occasion shall be separately considered by the Board. Permission to lease will only be considered upon a showing of hardship by the owner. Hardship will not be considered because of overextending of finances or inability to pay mortgage.
4. No lease will be allowed that does not cover the entire dwelling and lasts for a term of at least 6 months.
5. Any lease approved by the Board of Directors must comply with any and all other conditions of the Covenants.
6. Any lease previously approved by the Board of Directors must be re-submitted to the Board for re-approval before each renewal, or annually from the date of the last approval, which ever is a lesser time. Such re-approval is within the discretion of the Board.
7. Permission to lease must be requested by the owner by submitting a request to the Board in writing prior to any such agreement with a lessee. The request must include a completed Northbay Property Owners Association Request for Permission to Lease Form ("Form") in the current format that has been approved by the Board, and must state any and all reasons for the request, and all related circumstances.
8. Permission to lease will only be considered if the owner(s) has occupied the house

as a primary residence for at least one year immediately preceding the proposed lease.

9. Permission to lease will not be allowed if the owner(s) own all, or any part of, one or more other dwellings in the neighborhood. Ownership of other dwellings includes, but is not limited to, ownership by a spouse, or ownership in partnerships, LLCs, corporations, or other entities that own property in the neighborhood.
10. The owner and lessee must execute the Northbay Property Owners Association LEASED PROPERTY COVENANTS that among other things, obligate both parties to comply with the Covenants, Bylaws, Rules and Regulations of the neighborhood, specifies the obligations of the parties with regard to maintenance of the premises, specifies the obligations to pay dues and assessments, and addresses the use of neighborhood amenities by the Lessee. Tenant(s) must observe all covenants and rules and regulations of the development.

B. Prior leases:

1. Any lease existing prior to the filing of this Regulation with the Chancery Clerk of Madison County, Mississippi shall be considered "grand-fathered" until the expiration of the then existing lease under the following conditions:
 - a. the lease must be submitted for approval by the Board of Directors within sixty (60) days of the recording of this Regulation with the Chancery Clerk of Madison County, Mississippi;
 - b. the lease must be for the entire dwelling;
 - c. the remaining term of the existing lease must not exceed one (1) year;
2. Any grand-fathered lease must comply with the other conditions of the Covenants,
3. Any extension or renewal beyond the term of the existing lease must comply with the above conditions for new leases.
4. Any lease not submitted to the Board of Directors within sixty (60) days of the recording of this Document with the Chancery Clerk of Madison County, Mississippi shall not be afforded any protections provided under Section B of these Rules and Regulations, including but not limited to being "grand-fathered" in as an existing lease.

C. Use of Amenities by Lessee:

1. The right to use North Bay Amenities may be granted to lessee in the discretion of

the Board, but in no event unless the lease has been approved by the Board of Directors, and lessee agrees to comply with all Covenants, Bylaws, and Rules and Regulations. Any such grant shall not convey anymore rights than allowed to other members of the Association in good standing.

D. Enforcement:

1. These Rules and Regulations shall be enforced by the Board of Directors. The Board of Directors may take any and all legal action necessary to enforce these Rules and Regulations. The Board of Directors may fine any owner or lessor of dwellings that violate this Rule \$500.00 per month, which fine shall constitute a lien against that property, and be subject to any and all legal means of collection.
2. Such fine shall begin to accrue 60 days after the Association has mailed notice of the violation of these Rules and Regulations to the record owner of the lot by certified mail, if the violation has not been corrected in that time. Fines shall continue to accrue monthly until the violation has been corrected and the fine paid in full.

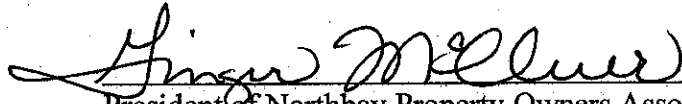
E. Similar conveyances of rights:

1. No lots or dwellings shall be sold under any time-sharing, time interval, or assumption of right-to-use programs.
2. Lease Purchases
 - a. A Lease-Purchase agreement may be approved by the board of directors but it is not incumbent upon the board to do so. If such is requested in writing along with the entire proposed agreement for review, the following conditions must be met to be considered:
 - b. A deposit must be made with the Association in the amount of five percent of the agreed upon purchase price.
 - c. If the property is not purchased by the assigned Lessee within a maximum of one year from the date of approval by the Board of Directors, the deposit will be forfeited to the Association and the owner will be considered in violation of these Rules and Regulations and penalties will be assessed as described in these Rules and Regulations.
 - d. The Lease-Purchase agreement may be reviewed by the Board after six months to ensure that the Lessee is complying with all other requirements of these Rules and Regulations.

- e. Once the final purchase has been completed and legally recorded in the office of the Madison County Chancery Clerk, the deposit will be refunded only to the original depositing owner.


These Rules and Regulations were adopted by a majority of the Board of Directors of the Northbay Property Owners Association at a regularly scheduled meeting on May 12, 2014.

Executed the 12th day of May, 2014


President of Northbay Property Owners Association

The undersigned Secretary of the Northbay Property Owners Association does hereby attest that the foregoing Rules and Regulations were duly and properly adopted by the Board of Directors of the Northbay Property Owners Association at a regularly scheduled meeting of the Board on May 12, 2014, and such Rules and Regulations constitute the act and deed of the Board and the Association.

Attested this the 12th day of May, 2014


Secretary of Northbay Property Owners Association

**NORTHBAY
PROPERTY OWNERS ASSOCIATION**

REQUEST FOR PERMISSION TO LEASE

Owners Name(s) _____

Current Address: _____

Phones - Cell: _____ Home: _____ Work: _____

Address of house to be leased: _____

When did you acquire this house? (date): _____

When did you first live at the house? _____

When did you last live in the house? _____

Describe the circumstances why you want to lease the house:

Name of proposed Lessee(s): _____

Current address of proposed Lessee(s): _____

Phone numbers for proposed Lessee: Cell _____ Work _____ Office _____

What other properties do you own, or own part of, or own any beneficial interest in that are located in Northbay: _____

This includes properties in a business name, properties where you are owner or part owner, and properties in name of spouse or children.

Signature of applicants _____

Date: _____