

# Owners Association of Murphy Farms, Inc.

## RULES REGARDING THE OCCUPANCY AND LEASING OF LOTS

**WHEREAS**, Article 4 of the Declaration of Covenants, Conditions and Restrictions for Murphy Farms authorizes the Board of Directors (the "Board") to promulgate rules regulating the occupancy and leasing of Lots in the community of Murphy Farms; and

**WHEREAS**, in order to protect the equity of the individual Lot owners at Murphy Farms and to preserve the character of the Owners Association of Murphy Farms, Inc., as a property owners' association, the Board deems it necessary to promulgate and enforce rules governing the occupancy and leasing of Lots.

**NOW, THEREFORE, IT IS RESOLVED** that the following rules and regulations are established by the Board of Directors (the "Board") for the occupancy and leasing of Lots within Murphy Farms (the "Association"):

### Leasing Restrictions

In order to (i) protect the equity of the individual lot owners at Murphy Farms and (ii) preserve the character and safety of Murphy Farms as a property owners association, the Association shall be governed by the following restrictions:

1. Leasing Provisions. Leasing of lots shall be governed by the following provisions:
  - a. Definition. "Leasing", as used in this Section, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner for which the Owner, or any designee of the Owner, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. For purposes of this Section, if a Lot is owned by a trust and the beneficiary of the trust is living on the Lot, that Lot shall be considered Owner-occupied rather than leased.
  - b. Single-Family Residence Restriction. The use and occupancy of all Lots shall be limited to single family residences. "Single-Family Residence", as used in this Section, is defined as a household consisting of persons related by blood, marriage or adoption which may include parents, children and collateral kinsmen such as grandparents, grandchildren, uncles, aunts, nieces, and one unrelated person.
  - c. Notice Requirement. Each Owner must provide the Association with a fully executed copy of any lease agreement for the rental of the Owner's Lot within fourteen (14) days after the execution of the lease or any renewal or extension thereof. Any Owner who is leasing his or her Lot at the time this Rule is adopted by the Board must provide a fully executed copy of any such lease agreement within fourteen (14) days after receipt of the Board's written request for a copy of same. If an Owner fails and/or refuses to provide a copy of a lease agreement as required by this Rule, the Association may enforce such violation by all legal remedies available under law, and the Owner shall be responsible for all attorney's fees and costs incurred to enforce this Rule.
  - d. Applicability. This Rule shall not apply to any leasing transaction entered into by the Association or the holder of any mortgage on a dwelling who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage; provided, however, that it shall apply to any lease by any purchaser from such mortgagee and any successors to such a purchaser. This Rule shall also not apply to any conveyance by the Owner of a Lot to a bona fide mortgagee in lieu of foreclosure, provided that the purchaser from such mortgagee shall be subject to the terms and provisions of this Rule with respect to any future lease of such Lot, or to the creation of a security interest in or mortgage encumbering a Lot whereby a bank, insurance company, savings and loan association or other similar financial institution becomes the mortgagee. This Rule shall apply to any renewal or extension of a lease.

e. Subleasing Restriction. Subleasing is strictly prohibited. Subleasing, as used in this section is defined as a tenant letting out the whole or part of the property rented by him to a third person.

2. Non-compliance. Any lease of a Lot entered into without complete and full compliance with the terms herein including, without limitation, the requirement that any lease agreement for a Lot must be provided to the Association, shall be deemed void and of no force and effect and shall confer no title or interest in a Lot to the purported Owner or lessee, except as may be otherwise provided in the Declaration.

**IT IS FURTHER RESOLVED** that this Rule is effective upon adoption hereof and publication to the Owners, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing Rule was adopted by the Board at a meeting of the same held on June 16, 2005, and has not been modified, rescinded or revoked.

DATE: July 8, 2008

/s/ Virginia Stein  
President

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