

**HIGHLANDS FALLS COMMUNITY ASSOCIATION, INC.
LEASING RESOLUTION
ADOPTED BY THE BOARD OF DIRECTORS AT ITS
OCTOBER 21, 2024 MEETING**

Upon motion duly made, seconded, and unanimously carried, it was **RESOLVED** that the following rules regarding leasing (the “Leasing Rules”) are enacted, effective May 1, 2025:

1. The Leasing Rules contained in this Resolution shall govern the leasing and renting of all real property in Highlands Falls Subdivision as shown on the various plats thereof recorded in the Macon County and Jackson County, North Carolina, Public Registries, and as defined in the Amendment to Amended Declaration of Protective Covenants and Restrictions Providing for Highlands Falls Community Association, Inc. recorded in Book O-20 at Page 1941, Macon County Public Registry, and Book 868 at Page 592, Jackson County Public Registry (“Highlands Falls”). The Leasing Rules govern any and all types of leases, rental agreements, and agreements or arrangements providing for a dwelling in Highlands Falls to be occupied, regardless for the length of time, by persons other than the Owners, for remuneration (“Leases,” and each a “Lease”).

2. The Leasing Rules do not apply to Owners allowing their family and friends to occupy their dwelling for no remuneration, provided the Owners notify the Association of the names of such persons prior to their arrival in Highlands Falls.

3. Owners of dwellings in Highlands Falls may lease their dwelling, so long as they do not enter into more than 2 Leases that begin in any given calendar month. No Lease may be entered into by the Owner of a dwelling in Highlands Falls if it would have the effect of causing more than 2 Leases of the dwelling to begin in a calendar month.

4. Each Lease of a dwelling in Highlands Falls must be in writing. Each Lease must designate the Owners (each an “Owner” and together the “Owners”) and the tenants (each a “Tenant” and together the “Tenants”) under the Lease. The Owners shall obtain a form from Highlands Falls Community Association, Inc. (the “Association”), and shall complete it and submit it to the Association so that the Association receives it no less than 5 business days prior to the beginning of the Lease. On the form, the Owners shall indicate the beginning and ending dates of the Lease, name all the persons over 18 years of age who will occupy the dwelling pursuant to the Lease (each an “Occupant” and together the “Occupants”), and the make, model, color and license plate number of each motor vehicle that will at any time during the term of the Lease be parked in Highlands Falls by the Occupants. The Association may add additional information and disclosure requirements that must be provided on the form.

5. Upon request by the Association at any time, a copy of any Lease must be furnished to the Association by the Owners. The Owners may redact the amount of rental.

6. All Tenants and all Occupants must be natural persons. No more than 8 Occupants over 18 years of age may occupy any dwelling pursuant to any Lease throughout the duration of the Lease, and no more than 3 motor vehicles of the Occupants may be parked overnight in Highlands Falls.

7. Each lease of a dwelling in Highlands Falls must be for the entire dwelling, and no fraction or portion of a dwelling may be leased or rented.

8. If an Owner, prior to October 21, 2024, entered into more than two Leases beginning in any given calendar month, and furnishes copies of all such Leases to the Association on or before November 21, 2024, the Owner may honor all such leases without being in violation of these Leasing Rules.

9. The Association may charge an administrative fee in such amount as the Association may from time to time determine to the Owner attributable to each Lease. The Association shall have the power and authority to collect any unpaid administrative fees, together with all attendant attorneys' fees and costs of collection, in the manner of the collection of other assessments pursuant to the provisions of the declarations of restrictive covenants of Highlands Falls.

10. Any and all types of assignment, subletting, or other arrangement or stratagem whereby persons other than the original Tenants under the Lease and Occupants shown on the form submitted to the Association are allowed to occupy a leased dwelling during the period of the Lease are prohibited. Each Lease must contain a written provision prohibiting any and all types of assignment and subletting.

11. Each Lease must contain a provision requiring the Tenants and Occupants to abide by the provisions and requirements of this Resolution, the declarations of restrictive covenants of Highlands Falls, the bylaws, rules and regulations of the Association, and the instructions and directives, written and verbal, of the agents and employees of the Association.

12. These Leasing Rules do not supercede more stringent leasing restrictions and rules enacted by neighborhood associations within Highlands Falls, including without limitation, Laurelwood, Chestnut Cove and Golf Villa #1 Neighborhood. If the Owners' dwelling is located in one of the neighborhoods, the Owners must comply with the leasing regulations and rules of the neighborhood, as well as with these Leasing Rules.

13. In the event of a violation of the provisions or requirements of this Resolution, or the declarations of restrictive covenants of Highlands Falls, or the bylaws, rules and regulations of the Association, or the instructions, written or verbal, of the agents or employees of the Association, by the Owners, Tenants or Occupants of a dwelling in Highlands Falls, the Association shall have the following rights and remedies:

(a) The Association shall have the power and authority to impose and assess a fine for each violation, and if the fine is not paid within thirty (30) days from the date of notice is given to the dwelling Owners, the Association shall have the power and authority to collect the fine, together with all attendant attorneys' fees and costs of collection, in the manner of the collection of other assessments pursuant to the provisions of the declarations of restrictive covenants of Highlands Falls.

(b) The Association may deny the Tenants and Occupants access into Highlands Falls for so long as such violation or noncompliance remains in effect.

(c) The Association may discontinue services and utilities to the dwelling for so long as such violation or noncompliance remains in effect.

(d) The Association shall have any and all other remedies available to the Association under the provisions of the declarations of restrictive covenants of Highlands Falls, the Association's bylaws, and applicable law.