

RULES AND REGULATIONS REGARDING SALES, LEASES, MORTGAGES, AND CONVEYANCES

These Rules and Regulations are intended to clarify and supersede the existing Rules and Regulations in place for Bedford at Lake Catherine Homeowners Association, Inc. regarding sales, leases, mortgages, and conveyances. These Rules and Regulations are reasonable and not discriminatory as they are for the safety and well-being of the community.

A. **Lease/Purchase Application.** In addition to the requirement in Article XVII of the Declaration of the Covenants and Restrictions for Bedford at Lake Catherine Homeowners Association, Inc., a Unit Owner desiring to sell or lease his or her Unit shall provide the Association with a fully completed lease/purchase application on a form approved by the Association, and shall provide a copy of the executed lease/sale agreement. The lease/sale application shall include, without limitation, the following information:

1. A copy of the proposed written lease/sale agreement;
2. Full name of each lessee/purchaser and all other adult persons who will be occupying the Unit. Any person, 18 years of age or older, who is not related to an owner or approved lessee by blood, marriage, or legal adoption shall be conclusively deemed to be a lessee or co- lessee and/or purchaser (and shall be considered an applicant) if such person occupies the Unit for more than fourteen (14) days in any twelve (12) month period. If a purchaser is an entity, then the managing member, shareholder (majority if applicable), trustee, personal representative, and/or other legally authorized agent will be considered the purchaser for purposes of criminal and financial background checks;
3. If a lease, then the beginning and ending dates of the lease term;
4. All lessee/purchaser and occupants' consent for release of criminal and financial background information and consent to undergo a background and credit check;
5. Prospective Owner and Lessee Acknowledgement Form executed by each occupant acknowledging that they have read and agreed to all of the Association's rules and regulations and will be bound by the same.
6. A legible photocopy of a valid Drivers' License or other State or Federal photo ID for each occupant eighteen (18) years of age or older.
7. Current tag information and/or veterinarian certificate for each pet that will be occupying any leased or purchased unit. No more than two (2) pets permitted in any leased unit.

8. References from communities, developments, and/or landlords in which applicant/occupants resided during the previous three (3) years; and
9. All information as may be reasonably required by the Association pertaining to any caregivers that will be residing with any lessee, either part time or full time. All part time or full time caregivers residing in any leased unit will be subject to approval as lessees under these rules.
10. Such other information as may be reasonably requested or needed by the Association.

B. Application Fees.

1. The Association shall be authorized to charge a non-refundable lease/sale application fee in such amount as may be established by the Board from time to time to cover administrative expenses and the cost of investigating proposed lessee/purchasers and other adult occupants. Solely for purposes of this paragraph, and pursuant to Florida Statutes, a husband/wife or parent/dependent child are considered one applicant. This fee is purely to cover the costs of the Association to process the application.
2. The Association shall be authorized to charge a non-refundable background & credit check fee for each prospective occupant 18 years or older regardless of marital status or relationship subject to State or Local laws.
3. Any applicants that require a background check from a foreign country will be charged additional fees that directly relate to any increased costs for an international background check.

C. Grounds for Disapproval. Pursuant to Article XVII, Association approval is required for the leasing of any Unit and Association approval is required for prospective new homeowners. Reasons for disapproval of a lessee/purchaser shall include, but not be limited to, the following:

1. The security deposit required by Article XVII has not been provided.
2. The proposed lease is for a term shorter than twelve (12) months or longer than twenty four (24) months or allows for the subletting or assignment of the lease without the approval of the Association.
3. A Unit Owner and/or lessee/purchaser's failure to comply with all conditions required by Article XVII or other material provisions of the Declaration and/or by-laws.
4. The person seeking approval has a history of disruptive behavior or disregard for the rights or property of others.

5. The proposed lessee/purchaser has been convicted during the previous ten (10) years of any of the following criminal offenses:
 - i. Any felony offense involving violence and/or threat of violence, including without limitation, murder, attempted murder, manslaughter, felonious assault and/or battery, robbery, burglary, arson.
 - ii. Any sex offense as defined by Florida Statutes or the lessee/purchaser or adult occupant is a registered sexual offender or sexual predator in any state.
 - iii. Vandalism or other serious offense against property.
 - iv. Any felony or repeated misdemeanor drug or alcohol-related offenses.
 - v. Any other felony conviction within the past ten (10) years which, in the reasonable judgment of the Board, renders the proposed lessee/purchaser or other adult occupant unfit to reside in the Association.
 - vi. Hardship. If a lessee/purchaser is denied due to their criminal background check as set forth above the lessee/purchaser may request for a hardship exception to the Board. The request must be in writing sent by certified mail to the Association and set forth the reasons for the hardship. Approval or denial of the hardship is solely at the discretion of the Board and its business judgment. The Board shall make the decision considering the safety of the owners in the community along with any unique circumstances regarding the conviction, any mitigating factors and rehabilitative efforts (which includes length of time since conviction and any recent convictions for violence and/or property damage).
6. The lessee/purchaser or other adult occupant under the lease having a history of non-compliance with rules and/or restrictions, or payment of assessments and/or other charges in other communities or developments in which they resided during the previous three (3) years.
7. The lessee(s) has been evicted and/or otherwise forcibly removed from a rental property during the previous three (3) years.
8. Any person seeking approval that has a record of financial irresponsibility, including without limitation, prior bankruptcies, foreclosures, or bad debts.
 - i. Hardship. If any person seeking approval has filed for bankruptcy protection within the last five (5) years but has otherwise passed the balance of the vetting process, then two (2) years of assessments for the home in question will be collected and placed in a non-interest bearing account with the Association prior to any approval being issued. One (1) year of the escrowed amount will be given back to the lessee/purchaser one (1) year after the funds were tendered and/or at the termination of the

lease/ownership, whichever occurs first, as long as there was no default or late payment of assessments or other association charges during that period of time. The remaining one (1) years' worth of the escrowed amount will be given back to the lessee/purchaser three (3) years after the funds were tendered or at the termination of the lease/ownership, whichever occurs first, as long as there was no default or late payment of assessments or other association charges during that period of time.

D. To protect the financial stability of the Association, the Association requires that at least one (1) lessee/purchaser have a FICO credit score of 650 or above.

- i. If there is only one applicant, and that person does not have a FICO score of 650 or above, their application will be rejected and the application and screening fee will not be refunded. If the applicant's credit score is 650 or higher, and the applicant passes the balance of the vetting process, they will be approved.
- ii. If there are multiple applicants, and all adults over the age of 18 who will be residing in the residence have a FICO credit score of 650 or higher, and the applicants pass the balance of the vetting process, then they will be approved.
- iii. If there are multiple applicants, and any one of the adults over the age of 18 who will be residing in the residence have a credit score lower than 650, and all adult applicants pass the balance of the vetting process, then one (1) year of assessments for the home in question will be collected and placed in a non-interest bearing account with the Association. One (1) year of the escrowed amount will be given back to the lessee/purchaser one (1) year after the funds were tendered and/or the termination of the lease/sale, whichever occurs first, as long as there was no default in the payment of assessments or other Association charges during that period of time. The balance of the escrowed funds will be returned to the lessees/purchasers after all residents in the unit successfully move out pending no damage of property is incurred to the Association and there was no default in payment of assessments or other Association charges. Note: At least one applicant must meet the minimum credit score or the application will be rejected and the application and screening fee will not be refunded.
- iv. Hardship. If a lessee/purchaser is denied due to an inadequate FICO credit score as set forth above the lessee/purchaser may request for a hardship exception to the Board. The request must be in writing and sent by certified mail to the Association office and set forth the reasons for the hardship. The request for hardship shall include copies of paystubs for the lessee/purchaser's prior six (6) months of employment. The approval or

denial of the hardship is solely at the discretion of the Board and its business judgment. The Board shall make the decision considering the financial integrity of the Association and the financial risk to its owners, along with any unique circumstances regarding the lessee/purchaser's inadequate credit score, and any other mitigating factors, including, but not limited to, no negative treatment on the lessee/purchaser's credit report for the prior six (6) months. Note: Even if a hardship exception is approved by the Board, the prospective lessee/purchaser may still be required to deposit the funds required under Section C.7.iii above.

- E. Any lessee who violates any of the provision of any of the Rules and Regulations or Declarations of the Association during their tenancy, is found to have intentionally misrepresented any information provided to the Association, or is no longer in compliance with the minimum requirements of a lessee under these rules will be deemed to have violated the lease and will be subject to immediate eviction by the Association or the Unit Owner.
- F. **Process of approval/denial.** The lessee/purchaser must submit a fully completed application to the Association's property management before the application may be processed. Upon receipt of a fully completed application, the property management will run the aforementioned criminal and financial background checks to ensure the applicant facially qualifies. If the applicant does not facially qualify the application shall be denied for cause as it gives reason there is a violation or potential violation of the Association Documents pursuant to Article XVII. If the applicant facially qualifies the Sale/Lease Approval Committee will review the application and determine if an in-person interview is necessary, and then hold a vote on the application.

As approved by the Board of Directors for the Bedford at Lake Catherine Homeowners Association, Inc. at a duly noticed Board of Directors Meeting on October 18, 2016.