

**U. LEASING RULES:**

1. Units may be rented subject to the provisions of these Rules & Regulations.
2. Every Owner who wishes to lease a Unit must use a written lease, signed by the Owner and the tenant or tenants who are intended to occupy the Unit.
3. All adult persons who occupy a Unit under a lease must be parties to the lease.
4. Upon entering into a new lease for a Unit, the Owner must deliver a complete copy of the signed lease to the Association's management office.
5. Upon entering into a new lease for a Unit, the Owner must deliver a complete lease addendum in the form prepared by the Association and attached to these Rules & Regulations as Exhibit "A," bearing the original signatures of the Owner and the tenant, or tenants, whose names appear on the lease, to the Association's management office.
6. At no time may more than fifteen (15%) percent of the total number of Units, or such lower number as may be required by any mortgage market source, including by way of example, but not by way of limitation FNMA, be leased, rented, licensed, or let (collectively referred herein to as "leased").
7. To ensure that the fifteen (15%) percent limitation on leased Units is not exceeded, all Owners who wish to lease their Units must first send a written request to the Council advising the Association that the Owner would like to be able to rent their Unit, the notice should be sent to the Council in care of the Association's manager at the following address:  
  
Bethel Grant Condominium Association  
C/O Reese Management Company  
PO Box 62226  
Valley Forge, PA 19406
8. Upon receiving a written request from an Owner, the Council shall, within 15 business days, notify the Owner if the fifteen (15%) percent lease limitation, set forth in Rule 7 above, has been met in the Condominium, and if the leasing limit has been reached, the Council will advise the Owner that the Owner will be placed on a wait list to await the conversion of a rental unit to a residential unit so the Owner may rent his or her Unit.

9. Upon sale of a leased unit, the right to lease that unit will terminate. The new owner may request leasing rights as per Rule 8 above and subject to the limitations in Rule 7 and 9. If leasing rights are terminated due to sale of property, the current lessee, at the new owner's option, may complete the term of the current lease (not to exceed one year).
10. The fifteen (15%) percent leasing limitation stated in Rule 7 above shall not apply to the following:
  - (ii) An Owner suffering from a financial or personal hardship that renders the Owner unable to reside in his/her Unit may apply to the Council to lease the Unit even if the limitation referred to in Rule 7 above has been met. In such situations, the Council, in its sole discretion, may permit the Owner to lease his/her Unit.
  - (iv) Units occupied by an immediate family member of an Owner shall not be considered rental units for purposes of application of rule 7 only, but shall remain subject to the balance of these Leasing Rules, including, without limitation, Rules 22 and 23.
11. Upon entering into a lease for a Unit, and delivering a copy of the lease for the Unit to the Association's management office, the Owner must pay the Association a fee of \$60.00, or such other amount as may from time-to-time be determined by the Board, as a fee to defray the costs incurred to set up a leasing file and create Association records regarding the lease and the new contacts and mailing addresses.
12. Each Owner who rents his or her Unit will continue to bear the obligation to perform all of the obligations and duties of an Owner under the Declaration and Rules & Regulations throughout the term of the lease.
13. An Owner who rents his or her Unit must continue to make prompt and full payment of all Assessments, charges, expenses and fees levied against the Owner's Unit, including all fines levied during the term of the lease for breaches of the Declaration and Rules & Regulations.
14. Each Owner who rents his or her Unit must bear the obligations and duties to require and to enforce his or her tenant's prompt and full compliance with the provisions of the Declaration and Rules & Regulations, to cure his or her tenant's breaches of the Declaration and Rules & Regulations, and to perform any repairs or replacements which may become necessary because of the tenant's breaches of the Declaration and Rules & Regulations.
15. In the event of a violation of these Leasing Rules, the Association shall issue a written Violation Notice to the Owner via first-class mail directed to the Unit. The Violation Notice shall identify the alleged violation and provide the Unit Owner with an opportunity to be heard in connection with the alleged violation.

16. Any hearing requested by an Owner pursuant to a Violation Notice shall be heard by the Board, or by a member of the Board appointed to act as a hearing officer, and scheduled within thirty (30) days of the date of the Violation Notice. Failure to request a timely hearing will be deemed an admission of the alleged violation.
17. If the Owner fails to timely request a hearing, or following a hearing, the Board determines that the Owner is in violation of these Leasing Rules, the Board may levy a continuing fine, in an amount not in excess of \$10.00 per day, against the Unit, and the fine will continue to accrue until the violation has been cured. Fines levied against the Unit shall be applied to the Unit's assessment account, shall be immediately due and payable, and shall be a lien against the Unit, collectible from the Owner in the same manner as an unpaid assessment.
18. Should it become necessary for the Association to take action itself, or by and through its attorneys, to enforce the Owner's or the tenant's compliance with the Declaration and Rules & Regulations, including, but not limited to, these Leasing Rules, or to cure a breach, or to perform any repairs or replacements on the Unit, Common Elements or Limited Common Elements, then all costs, expenses and fees, including attorneys' fees, incurred by the Association to cure the breach, to obtain access to the Unit to perform any repairs or replacements, and/or to obtain any judgment and/or court order will be levied by the Council as assessments against the Owner's Unit, and will be a lien on the Owner's Unit, enforceable and collectible from the Owner in the same manner as an unpaid assessment.
19. If any assessments, charges, expenses, fees and/or fines coming due from the Owner during the term of a lease are not paid promptly and in full, then upon ten (10) days written notice from the Association to the Owner and the Owner's tenant by first class mail directed to the Unit, all sums due to the Association from the Owner shall be paid to the Association by the tenant out of the next month's rent, and continuing from month-to-month, to the extent of the monthly or periodic rent due from the tenant to the Owner, until the entire sum due to the Association from the Owner is paid; and the Owner must give the tenant a dollar-for-dollar credit from month-to-month for rent due to the Owner from the tenant for all sums paid by the tenant to the Association.
20. All leases for Units must be for an initial term of not less than one (1) year.
21. No unit is to be sublet or subleased.
22. If, during the term of any lease, an Occupant or tenant who resides in, or routinely occupies the Unit, demonstrates a disregard for the provision of the Association's Governing Documents, and the Council

determines it to be in the best interest of the Association to bar the Owner from extending or renewing the term of the lease, or from continuing to lease the Unit, then the Council shall so notify the Owner in writing of that determination, and the Owner shall thereupon be barred from extending or renewing the term of the lease, or continuing said lease in any way in favor of the Occupant or tenant beyond its original term.

23. If, during the term of any lease, the Owner of the Unit demonstrates a disregard for the provisions of the Association's Governing Documents, including, but not limited to failing to require the Owner's tenant to comply with the Governing Documents, and/or failing to maintain the Unit in accordance with the provisions of the Governing Documents, and/or failing to pay assessments or any other charge or expense due to the Association, and the Council determines it to be in the best interests of the Association to bar the Owner from continuing to lease the Unit, then the Council shall so notify the Owner in writing of that determination, and the Owner shall thereupon be barred from renewing or extending said lease beyond its original term, and from leasing the Owner's Unit.
24. The maximum number of tenants/lessees who may occupy any leased Unit will not be greater than the maximum number permitted by any applicable zoning ordinance or regulation of Worcester Township or other governing body.
25. No Unit may be leased for any purpose other than residential purposes.
26. The Owner must rent the entire Unit to the tenant.
27. No lease may contain any term, condition or provision which will operate or be applied in a manner which is contradictory to, or which violates any provision or policy stated in the Declaration and Rules & Regulations, and any such contradictory or violative terms as may be stated or incorporated in a lease, if any, are void as between the Association and the Owner and tenant.
28. Each tenant will bear the obligation throughout the tenant's occupancy of the Unit to require and enforce the compliance of the tenant's family members and all persons residing in the Lot and Unit with the tenant, as well as the tenant's guests, invitees, agents, servants, employees, domestics, tradesmen and contractors with the Declaration and Rules & Regulations.
29. No use or practice shall be done, condoned or permitted by any tenant in any Unit, nor shall anything be kept, used, maintained or stored in any Unit by any tenant which is:
  - (i) A nuisance or a source of undue annoyance to the Owners or Occupants of other Units; or

- (ii) An interference with the peaceful possession and proper use of the Properties in accordance with the rights, privileges and easements stated in the Declaration or Rules; or
  - (iii) A basis for a material increase in the rate of insurance on the Properties beyond that to be anticipated from the conduct of otherwise permitted uses on the Properties; or
  - (iv) A basis for the cancellation of any insurance policy or policies maintained by the Association; or
  - (v) A condition or use which jeopardize the health, safety, and/or welfare of the Owners and/or Occupants, or the use, soundness, safety, appearance or value of the Properties; or
  - (vi) Impair any easement or rights granted under the provisions of the Declaration or Rules.
30. The failure of any Owner or their tenant to promptly comply with these rules regarding leasing will be considered a violation by the Owner these Rules and Regulations.
31. The failure of any Owner or their tenant to promptly and fully comply with the Association's Residential Use and Leasing Rules may result in the levying of fines against an Owner.
32. The failure of any Owner or their tenant to promptly and fully comply with the Association's Residential Use and Leasing Rules may result in the issuance of demands for curative action by the Owner, and/or repair or replacement work to be performed by and at the expense of the Owner, and the imposition of such other sanctions and remedies as may be available to the Association under the Declaration and the Rules and Regulations.
33. The Association reserves the right to immediately pursue such legal or equitable remedies as it may possess in the Courts if any violation of the Declaration or the Rules and Regulations has, or will, result in a threat to health, safety or welfare, or the destruction of any part or portion of the Property.
34. In addition to the remedies available to the Council for violations of the Declaration or these Rules and Regulations, the Council may contact the Worcester Township Police and seek the imposition of criminal sanctions against any Owner, resident or Occupant who commits a violation of these Rules which may also be a violation of any state or municipal statute or ordinance.

. The existence and enforcement of these rules shall not give rise to a landlord and tenant relationship between any tenant and the Association; these rules are intended to lie as between the Association and the Owner of the Unit, for the purpose of causing the Owner of the Unit to require the Owner's tenant to act in a responsible manner in throughout the tenant's occupancy of the Unit.