

DECLARATION OF CONDOMINIUM

330 MCGILL PLACE
A CONDOMINIUM ATLANTA, GEORGIA

ARTICLE VI -RESTRICTIONS

6.8 Leasing of Units.

In order to protect the equity of the individual Unit Owners at McGill Place, to carry out the purpose for which the Condominium was formed by preserving the character of the Condominium as a homogenous residential community of predominantly owner-occupied homes and by preventing the Condominium from assuming the character of a renter-occupied apartment complex, and to comply with the eligibility requirements for financing in the secondary mortgage market insofar as such criteria provide that the project be substantially owner-occupied, leasing of Units shall be governed by the restrictions imposed by this Section.

(a) Definitions.

(i) Leasing shall mean the regular, exclusive occupancy of a Unit by any person other than the Owner, for which the Owner receives any consideration or benefit including, but not limited to, a fee, service, gratuity or emolument. **Roommates occupying the Unit along with the Owner shall not be deemed to be leasing, but shall be subject to all other provisions and requirements of this Declaration.**

(ii) Open Leasing Status shall authorize a Unit to be leased at any time subject to the provisions and requirements of this Declaration. Each Unit at McGill Place which is being leased on the date that this amendment to the Declaration is recorded in the Fulton County, Georgia records shall have Open Leasing Status until title to the Unit is conveyed to any person or entity other than the person or entity holding record title on the date that this Amendment to the Declaration is recorded in the Fulton County, Georgia records, after which conveyance the Unit shall automatically be converted to Restricted Leasing Status. Open Leasing Status may also be conferred upon a Unit as provided in subsection (b) below.

(iii) Restricted Leasing Status shall subject a Unit to the restrictions on leasing contained in subsection (b) below. All Units which are not being leased on the date that this Amendment to the Declaration is recorded in the Fulton County, Georgia records shall be in Restricted Leasing Status unless converted to Open Leasing Status as provided in subsection (b) below.

(b) General.

No Owner of a Unit in Restricted Leasing Status may lease his or her Unit if twenty (20%) percent or more of the Units in the Condominium are in Open Leasing Status, except as provided in subsection (c) below for cases of undue hardship. Any Owner of a Unit in Restricted Leasing Status

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may apply in writing to the Board of Directors for conversion to Open Leasing Status in accordance with rules and regulations promulgated by the Board of Directors. Upon receipt of such written application, the Unit shall be placed at the end of a waiting list for conversion to Open Leasing Status. At such times as less than twenty (20%) percent of the Units are in Open Leasing Status, the Board shall notify the Owner of the Unit at the top of the waiting list of its conversion to Open Leasing Status, and such Owner shall have ninety (90) days within which to lease the Unit or it shall automatically revert to Restricted Leasing Status. Any Unit in Open Leasing Status shall automatically be converted to Restricted Leasing Status if the Unit is not subject to an approved lease for ninety (90) or more consecutive days.

(c) Undue Hardship.

Notwithstanding the provisions of subsection (b) above, the Board of Directors shall be empowered to allow reasonable leasing of a Unit upon application in accordance with this Section to avoid undue hardship, including, but not limited to the following situations: (1) a Unit Owner must relocate his or her residence outside the Atlanta metropolitan area and cannot, within six (6) months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) where the Owner dies and the Unit is being administered by his or her estate; and (3) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit, in which case the Unit Owner must reapply every year for renewal of the hardship exception. Those Owners who have complied with this subsection (c), have demonstrated that the inability to lease their Unit would result in undue hardship, and have obtained the requisite written approval of the Board may lease their Units for such duration as the Board reasonably determines is necessary to prevent undue hardship.

Any Owner who believes that he or she must lease his or her Unit to avoid undue hardship shall submit a written application to the Board setting forth the circumstances necessitating the leasing, a copy of the proposed lease, and such other information as the Board may reasonably require. Leasing in the case of undue hardship shall be permitted only upon the Board's written approval of the Owner's application. When an application is approved, the Owner shall provide the Board with the name and phone number of the lessee and the Owner's address other than at the Condominium and other such information as the Board may reasonably require within ten (10) days after a lease has been signed by both parties.

Any transaction which does not comply with this Section shall be voidable at the option of the Board of Directors.

(d) Leasing Provisions.

Such leasing as is permitted by this Section shall be governed by the following provisions:

- (i) General. All leases shall be in writing in a form approved by the Board prior to the effective date of the lease. The Board shall maintain in its files and, upon request, shall

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provide to any Owner a form which is deemed acceptable. **All leases must be for an initial term of at least one (1) year. There shall be no subleasing or assignment of leases unless approved in writing by the Board. Units may be leased only in their entirety; no fraction or portion may be leased. No transient tenants shall be accommodated in a Unit.** All leases shall be subject to the Declaration, the Bylaws and the rules and regulations of the Association. The Owner must make available to the lessee copies of the Declaration, Bylaws, and the rules and regulations, and the lease form shall provide that the Owner has made available to the lessee copies of the Declaration, Bylaws, and the rules and regulations.

(ii) Notice. Within ten (10) days after entering into the lease of a Unit, the Owner shall provide the Board of Directors with the name and phone number of the lessee and all other people occupying the Unit, the Owner's address other than at the Condominium, and such other information as the Board may reasonably require. Notwithstanding anything in the Declaration to the contrary, failure to provide the above information to the Board within ten (10) days after entering into the lease of a Unit may result in a fine against the Owner for each day that the information is not provided to the Board. Nothing herein shall be construed as giving any party the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(iii) Liability for Assessments, Use of Common Elements, and Compliance with Declaration, Bylaws, and Rules and Regulations. **Each Owner covenants and agrees that any lease of a Unit shall contain the following language** and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(A) Compliance with Declaration, Bylaws, and Rules and Regulations. Lessee agrees to abide and comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto. Owner agrees to cause all occupants of his or her Unit to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Unit are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto. In the event that the lessee or a person living with the lessee violates the Declaration, Bylaws, or a rule or regulation for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, if the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Any lessee charged with a violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto is

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entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction.

Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto is deemed to be a violation of the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to 330 McGill Place Condominium Association, Inc., acting through the Board, the power and authority to evict the lessee on behalf of and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specially assessed against the Unit and the Owner thereof, such being deemed hereby as an expense which benefits the leased Unit and the Owner thereof.

(B) Use of Common Elements.

The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Condominium, including, but not limited to, the use of any and all recreational facilities and other amenities.

(C) Liability for Assessments.

When a Unit Owner who is leasing his or her Unit fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board of Directors, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under Section 10 herein as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(e) Applicability of this Section 6.08.

Any Owner of a Unit which is leased on the effective date of this Amendment, shall remain in Open Leasing Status until title to the Unit is conveyed as provided in subsection 6.08(a)(ii) above. Leases existing on the date which this Amendment to the Declaration is recorded in the Fulton County,

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Georgia records shall not be subject to the terms of this Section; such leases may continue in accordance with the terms of the Declaration as it existed prior to the recording date of this Amendment. However, any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a new lease which must comply with the terms of subsection 6.08(d) of this Article. Any Owner of a Unit which is leased on the effective date of this Amendment shall place on file with the Board of Directors a copy of the lease agreement in effect within thirty (30) days of the date on which this Amendment to the Declaration is recorded in the Fulton County, Georgia records.

This Section 6.08 shall not apply to any leasing transaction entered into by the holder of any first Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

(f) Leasing during 1996 Olympic Period.

Notwithstanding anything to the contrary herein, during the period from two months before the official opening of the 1996 Olympics to two weeks after the official close of the 1996 Olympics (the "Olympic Period") the limitations on the percentage of Units which may be leased at 330 McGill Place Condominium set forth in this Section 6.08 shall be suspended and any Owner shall be entitled to lease his or her Unit subject to the following restrictions:

(i) Units may be leased only in their entirety; no fraction or portion may be leased. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors.

(ii) Notwithstanding anything to the contrary in Article VI, Section 6.18, occupancy of a Unit is limited as follows: one bedroom Units shall contain a maximum of three (3) persons; two (2) bedroom Units shall contain a maximum of four persons; and three (3) bedroom Units shall contain a maximum of five (5) persons.

(iii) The Unit Owner must make available to the lessee copies of the Declaration, Bylaws, and the rules and regulations.

(iv) All Unit Owners leasing their Units during the Olympic Period may be required to complete an information form to be provided by the Board of Directors which may request information including, but not limited to, the following: (1) name and residence address of lessor; (2) identity of Unit to be leased; (3) home phone number of lessor; (4) workplace and work phone number of lessor; (5) name of lessee(s); (6) terms of the lease; (7) names of all occupants of the Unit; (8) home phone number of lessee(s); (9) number and type of pets in the Unit.

(v) Any lease of a Unit at 330 McGill Place during the Olympic Period shall be deemed to contain the provisions set forth in subsection 6.08(d)(iii), whether or not

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expressly therein stated, and each Owner covenants and agrees that any lease of a Unit shall contain the above referenced language and agrees that if such language is not expressly contained therein, then such language shall be deemed to be incorporated into the lease by virtue of the existence of this covenant on the Unit.