

Appendix C



STEP 1: LEASE PERMIT APPLICATION

This Leasing Permit Application ("Application") is made this _____ day of _____, 20____, by _____ ("Owner"), who owns the following Lot within Kensley, _____ (the "Lot"), located at _____ ("Address"). Owner desires to lease Owner's Lot per Section 8 of the Declaration of Protective Covenants for Kensley ("Declaration").

Upon issuance of a Leasing Permit, Owner is allowed to lease his or her Lot provided that such leasing is in strict accordance with the terms of the Leasing Permit or Hardship Leasing Permit and Section 8 of the Declaration. The Board of Directors shall have the authority to establish conditions as to the duration and use of such Permits consistent with this Section 8. All Leasing Permits and Hardship Leasing Permits shall be valid only as to a specific Owner of a Lot and shall not be transferable between either Lots or Owners (including a subsequent Owner of a Lot for which a permit was issued to the Owner's predecessor in title).

Leasing Provisions. Lots may be leased only in their entirety; no fraction or portion may be leased. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year. Within ten (10) days after executing a lease agreement for the lease of a Lot, the Owner shall provide the Board of Directors with a copy of the lease, the name of the lessee and all other people occupying the Lot, and identify the commencement date and the termination date of the lease. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations and obtain from the lessee a written acknowledgement (in the lease agreement or a separate instrument) an agreement by the lessee (on behalf of lessee and all other occupants of the Lot) to comply therewith and be bound thereby (the "Lessee Acknowledgement"). Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee. A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (A) the sale or transfer of the Lot to a third party (excluding sales or transfers to (1) an Owner's spouse, (2) a person cohabitating with the Owner, and (3) a corporation, partnership, company, or legal entity in which the Owner is a principal); (B) the failure of an Owner of a Lot to lease his Lot within ninety (90) days of the Leasing Permit having been issued; or (C) after a Lot shall have been leased in accordance with the requirements of Section 8 of the Declaration, such Lot shall become unleased and shall remain unleased for a period of ninety (90) days. If current Leasing Permits have been issued for seven (7) Lots or more, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below seven (7) Lots. An Owner of a Lot who has been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued the same if he so desires when the number of current outstanding Leasing Permits issued falls below seven (7) Lots or less. The issuance of a Hardship Leasing Permit to an Owner of a Lot shall not cause the Owner of a Lot to be removed from the waiting list for a Leasing Permit.

OWNER:

_____ Print Name _____ Community Property Address

_____ Date _____
Signature

_____ Date _____
Signature

(For Association Use Only)

Application Received By: _____ Date: _____

Permit APPROVED: _____ Permit DENIED: _____ If DENIED, reason: _____

Permit Issued By: _____
Signature Title