

SEBASTIAN COVE SUBDIVISION: PROMULGATION OF RULES AND REGULATIONS PURSUANT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS REGARDING PROHIBITED HOUSE RENTALS

September 9, 2008

Whereas the Sebastian Cove Board of Directors (the Board) has learned that violations of the Sebastian Cove Declaration of Covenants, Conditions, Restrictions and Easements ("covenants") have occurred by owners advertising and renting their houses to transient guests for very short periods. These short-term rentals of less than 30 days duration are commercial in nature, and not in compliance with the spirit or language of the covenants restricting occupancy to single family residential use (Article VIII, Sect. 1); and

Whereas, said provision states as follows: "All Lots shall be restricted exclusively to single-family residential use. No Lot, or any portion thereof, shall at any time be used for any commercial, business or professional purpose..." and

Whereas, this section includes the statement: "This provision shall not prevent residents from maintaining and using private offices at their dwelling provided such use is incidental to the primary residential use of the Lot and compliance is maintained with the other provisions of this Declaration"; and

Whereas, other than this narrow exception, the lots are, as the covenants expressly state, "restricted exclusively to single-family residential use"; and

Whereas, these transient rentals in violation of the covenants negatively impact the community at large, and due to the pervasive and ongoing noise, excessive traffic, trespasses, alcoholic consumption, unsafe watercraft usage, and other significant adverse effects, are clearly detrimental to the peaceful enjoyment of other lot owners;; and

Whereas, allowing prohibited uses would adversely impact the community, including without limitation harming the peaceful, residential atmosphere, damaging the roads, and causing traffic hazards from prohibited events and alcohol consumption associated therewith; and

Whereas, the Sebastian Cove covenants specifically grant to the Board of Directors authority to make and enforce rules and regulations governing the conduct and use of

Sebastian Cove lots (Article III, Section 2), and to impose fines as is necessary to enforce these rules and regulations, (Article III, Section 3).

Therefore, be it resolved that the Sebastian Cove Board of Directors, acting under the authority granted to the Board in the covenants specified above, hereby defines and publishes rules and regulations regarding rentals:

1. Permitted Rental Single Family Residential Use Vs. Non –Permitted Transient Use.

Monthly and longer rentals are acceptable “residential uses.” However, no owners may rent or grant possession or use of their premises to Tenants who use the premises for less than thirty (30) continuous days, as this violates the clear language and intent of the Covenants. Article VIII, Section 1 indicates:

“All lots shall be restricted exclusively to single-family residential use. No Lot, or any portion thereof, shall at any time be used for any commercial, business or professional purpose,.....”. This section also indicates that, “this provision shall not prevent residents from maintaining and using private offices at their dwelling provided such use is incidental to the primary residential use of the Lot and compliance is maintained with the other provisions of this Declaration. “

The Sebastian Cove Board of Directors, acting under the authority granted to it by the Covenants to make “Rules and Regulations”, hereby defines Transient, as “occupancy by renting Tenants for rental periods less than thirty (30) days.”

2. Prohibition against use of any house/property in Sebastian Cove as a bed & breakfast, hotel, or similar use.

There shall be no use of any home/property in Sebastian Cove as a resort, bed and breakfast, hotel or similar. The allowance of credit cards for rent payment and the formation of a separate LLC, corporation, or partnership for the purpose of receipt of these funds are among the various indications of use beyond the scope of "single-family residential." Upon a determination by the Board of Directors that under the criteria herein and in the Covenants a rental constitutes a commercial or other prohibited use, the Board will have available all enforcement powers the Covenants provide as necessary to terminate such activity.

3. Limit on the method of rental payment:

The allowance of credit cards for rent payment, and the formation of a separate LLC, corporation, or partnership for the purpose of receipt of rental funds are not consistent with "Single Family Residential" use and are prohibited. The Board of Directors cannot allow uses beyond those permitted by the Covenants, or these rules and regulations, since allowing prohibited uses would harm the peaceful, residential atmosphere of the community.

4. Restriction on advertising for Sebastian Cove house rentals:

To preclude commercial resort/bed & breakfast/hotel types of rentals, advertisement(s) in any form that promotes house rentals in Sebastian Cove as being any other than Single Family Residential Use is prohibited. The use of internet advertisement(s) such as Vacation Rentals by Owner (VRBO) for rental periods of less than 30 days is commercial in nature, is adverse to the spirit and intent of Single Family Residential Use, and is prohibited.

5. Specific Requirements for Advertising and for Inclusion in Contracts with Renters:

Advertisements and rental contracts must set forth a rental period of no less than 30 days. Furthermore, the following must be expressly set forth in advertisements and in contracts with renters:

- a) No Weddings, receptions, parties, or other social gatherings beyond the scope of single-family residential use. Family reunions are likewise prohibited unless attendees/guests are related by blood or marriage to the property's owner and the premises is provided free of charge.
- b) No fireworks, tents, or outside structures of any type, not previously approved in writing by the Sebastian Cove Architectural Control Committee, are allowed.
- c) No amplified music, including without limitation live bands, DJ (Disc Jockey) or any outdoor loud music. Use of exterior speakers and/or other sound devices is prohibited as provided by Sebastian Cove covenants Article III, Section 3 (C).
- d) Number of cars is limited to 1 (one) car per bedroom in the house being rented.
- e) No outside or public transportation, i.e. limousine, bus, or van will be used to transport additional visitors to circumvent the number of cars allowed.

f) Erecting signs, whether temporary or permanent, is prohibited in accordance with the Sebastian Cove covenants Article VIII, Section 8.

6. Additional Requirements for Contracts with Renters.

a) The contract with the tenant shall include specific reference to the power of the Sebastian Cove Board of Directors power to impose a fine to remedy failure to comply with any of the above requirements.

b) The fine to each violator or tenant will be no less than \$1000 per violation, continuously escalating by an additional \$1000 for each additional violation, or in the discretion of the Board of Directors, be equal to the rental rate charged by the owner to the tenant.

c) The fine will be due to Sebastian Cove Homeowners Association. It is the responsibility of the property owner to ensure that the covenants are adhered to, and insure that the Association is paid any fines, within 30 days of the infraction.

d) If the property owner fails to pay the fine within 30 days of the infraction, the Association will place a lien against the owner's property. These rules and regulations shall be filed for record in the Real Estate Records of the Putnam County Superior Court Clerk's Office. Signed under our hands and seal, this 9th day of September 2008, and effective immediately:

March 2012

RV/TRAILER POLICY

RV/TRAILER POLICY: At the March 2012 Board meeting a determination was made to define the word "temporary" to be a period of 24 consecutive hours. At the August 5, 2013 Board meeting, the RV Trailer Policy was approved in form and content. In the event of a violation, a notice is to be delivered to the lot owner to comply with the policy and remove the vehicle. Failure to do so subjects the violator to a Board Pre-Approved Penalty of \$350 per day or portion thereof (See HOA Minutes dated September 11, 2023).

SETBACK REQUIREMENTS FOR NEW IMPROVEMENTS OR MODIFICATIONS

Set Backs –The Sebastian Cove HOA Construction Requirements were changed from 50 feet from Lake Oconee to 100 feet from Lake Oconee. This change was to keep in

concert with the Set Back requirements currently imposed by Putnam County. The effective date of this change shall be October 3, 2011 and shall be applicable to any new improvements or modifications.