

DISTRIBUTION DRAFT

PROPOSED FIRST AMENDMENT TO THE REVISED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SPRINGS OF HAMPTONS SUBDIVISION

The following Proposed Amendment involves an addition of covenants located in the Revised and Restated Declaration of Covenants, Conditions, and Restrictions for Springs of Hamptons Subdivision, recorded in the Marion County Recorder's Office on February 16, 2012, as **Instrument No. 201200015897**.

According to Section 26 of the Covenants, this proposed amendment must be approved by a vote of those persons who are then the owners of a majority of the numbered lots in the Development.

Section 8(A) of the Declaration is added as follows:

Section 8(A). Owner Occupancy Requirement. Except as provided in this covenant, and to maintain the congenial and residential character of Springs of Hamptons, and for the protection and maintenance of property values by encouraging the maintenance, improvement and updating of the Lots within the Springs of Hamptons community, each home in Springs of Hamptons must be "Owner-Occupied", which means the titled Owner of the home (i.e. the name on the deed) must live in the home.

The term "Owner-Occupied" does not include the representatives, employees, agents or guests of a corporation, partnership, or other entity. In addition, titled Owner(s), or their agent or representative, cannot rent, lease, sell on contract, lease to own, or enter into any other form of agreement that would allow a non-owner to use a home in Springs of Hampton subdivision as their primary residents without the Owner also being present in the home.

If a current Owner in Springs of Hampton is renting or leasing his home or selling his home on contract on the date this Owner-Occupancy restriction goes into effect, then that Owner may continue to rent, lease, or sell his home so long as he continues to own the home. However, once the current Owner transfers title to another Owner, or stops renting or leasing the home, or selling the home on contract, then the home must be Owner-Occupied as provided in Section 8(A). Any current Owner renting or leasing his home must rent or lease the whole home (no room or partial home rentals or leases) to a single family for a period of at least six (6) months and no more than one (1) year without automatic renewal, must provide a copy of the Covenants to the tenant and inform the tenant that failure to comply with the covenants and restrictions in the Covenants is a default under the rental or lease agreement and must provide the Association with a copy of the rental or lease agreement (amounts redacted) within thirty (30) days of signing the rental or lease agreement. Short-term rentals of thirty (30) days or less, and group, room or partial home leases or rentals are strictly prohibited at any time.

The Board may approve a hardship exception to this restriction if requested in writing by the titled Owner. A request for a hardship exception must state the reason(s) the hardship exception request, such as, but not limited to, temporary or permanent job transfer or relocation, military deployment, etc. The Board may request further information regarding a request and may ask the Owner to modify the terms of his request before making a final decision on whether to grant or deny the request. Once an Owner has submitted a request for a hardship exception to the Board, the Board has thirty (30) days from the date of receiving the request to make a ruling on the request. If the Board does not rule on the request within that time-period, then the request is automatically denied. A decision of whether to grant a hardship exception is strictly within the sole discretion of the Board; however, a hardship exception for investment purposes, short-term rentals of thirty (30) days or less, and group, room or partial home leases or rentals is strictly prohibited and will not be approved.

However, this restriction is not intended to prevent residents whose primary residence is in Springs of Hamptons but who are not the titled Owner of their home as the result of estate planning, such as placing their home in a trust or in a relative's name, reserving a life estate, or Medicaid planning, from living in Springs of Hamptons. In this situation, the residents and Owner will be considered in compliance with this covenant so long as the residents living in the home are related to the Owner, do not pay rent or other form of compensation to the Owner in return for living in the home, and the residents and Owner also follows all remaining restrictions in this provision.

For any Owner who is not renting or leasing his home or selling his home on contract on the date this Owner-Occupancy restriction goes into effect, but thereafter enters into a lease agreement, rental agreement, or other form of agreement that violates this covenant or would allow a non-owner to reside in a home in the Springs of Hamptons subdivision without the Owner being present, those agreements will be voidable in the sole discretion of the Association's Board of Directors.

This Owner-Occupancy restriction takes effect on the date this covenant amendment is recorded with the Marion County Recorder's Office. This provision does not apply to institutional mortgagees of any home in Springs of Hamptons which comes into possession of the home due to foreclosure, judicial sale, or deed-in-lieu of foreclosure. Any Owner found to be in violation of any portion of this covenant by a court of competent jurisdiction will be permanently banned from renting or leasing his home.