

Interpretation of the Eagle Lake Declaration of Covenants, Conditions, Restrictions, and Easements (“Declarations”) and Published Rules Regarding Short Term Property Rental (together the “Restrictions”).

PREAMBLE

The Board, as the representative body of the Eagle Lake POA, hereby states that as a matter of interpretation and policy, short term rentals are inconsistent with the word and spirit of the Covenants and Bylaws, and are also inconsistent with the quiet use and enjoyment of owners’ properties within the development. This statement of policy is based on the Covenants and Bylaws and, among other things:

- Short term rentals have caused and will likely continue to cause more traffic within the development, resulting in the blocking or partial blocking of roads where there is inadequate parking for the number of short term renters at a given house, and in additional wear and tear on the roads. This causes a nuisance and a danger to both vehicular and pedestrian traffic, which is heavy in Eagle Lake, and added expense for road maintenance.
- Short term renters have created and are likely to continue to create excessive noise which is a nuisance and which is bothersome to neighbors.
- Short term renters have made and are likely to continue to make much more intensive use of the lake than long term residents, resulting in overcrowding of lake facilities, interference with the use of the lake facilities by residents, excessive wear and tear on the lake improvements, increased maintenance, and additional danger of accidents and injuries as unsupervised persons with little knowledge of the lake make use of it.
- The POA does not have the means or ability to appropriately deal with these and other concerns and problems caused by short term rentals.

THE RESTRICTIONS

Pursuant to its authority, including but not limited to its authority under sections 6.1, 6.4, 6.8, 6.16, 6.19, 10.1 12.5, 14.1, and 6.21 of the Declarations, the Board of Directors of the Association publishes the following Interpretation of the Eagle Lake Declarations and publishes these Rules Regarding Short Term Property Rental.

Definitions and Interpretations:

Unless otherwise stated or defined, terms used in the Restrictions and the Declarations have the same meaning as in the Declarations.

1.1.a ***Declarations*** means the Eagle Lake Declaration of Covenants, Conditions, Restrictions, and Easements currently in force.

1.1.b **Short Term Rental** means the rental of a Dwelling or Lot for vacation, leisure, or recreation purposes for fewer than 90 days by a person who has a place of permanent residence to which he or she intends to return. Short Term Rental is a “business use” as that term is used in the Declarations.

1.1.c **Long Term Rental** means the rental of a Dwelling or Lot for a continuous period of 90 days or more in duration as a permanent residence or for vacation, leisure, or recreation purposes by a person who has a place of permanent residence to which he or she intends to return. Long Term Rental is not a “business use” as that term is used in the Declarations.

1.1.d **Common Property**, as defined in the Declarations, for purposes of Short Term Rental Restrictions includes but is not limited to that Common Property that is the lake front common area (including the “beach”), the lake, bath house, common area parking, and the lakeside pavilion.

1.1.e **Penalty** means Penalty as the term is used in the Declarations, including a monetary penalty imposed for violation of the Short Term Rental Restrictions and suspension of a Member’s privileges as a member of the Association while such violation is uncured.

1.1.f **Business** means “an activity a person engages in or causes another to engage in with the object of gain, profit, benefit, or advantage, either direct or indirect.” as defined in North Carolina general statute 105-164.3.1k.

1.1.g **PCA** means the North Carolina Planned Community Act, Chapter 47F of the North Carolina general statutes.

1.1.h **Family** means an individual or group of individuals directly related (e.g., for illustration: brother, sister, parent, grandparent, cousin, niece, aunt) to the Owner by marriage, adoption, or birth.

Rules and Interpretations:

6.1.a Short Term Rental of a Lot or Dwellings by persons who are not Owners constitutes the business or commercial use of a Dwelling or Lot.

6.1.b The use of the lake as the result of Short Term Rentals by persons who are not Owners (or family members of a Owner who is the lessee of a Short Term Rental) and given access by an Owner is a “public” use of the lake as the term is used in the Declarations and is prohibited.

6.1.c Short Term Rental of a Lot or Dwelling to persons who are not all of the same family of the Owner is not the “single family residential” use of such Lot or Dwelling as the term is used in the Declarations and is prohibited.

6.1.d The Restrictions on Short Term Rentals are, but are not limited in definition to be, rules and regulations controlling the use of Common Property.

6.1.e Short Term Rental of any Dwelling or Lot to any person(s) not Owners or the offering to rent said Dwelling or Lot to person(s) who are not Owners is prohibited.

6.1.f Short Term Rental of any Dwelling or Lot to any person(s) who are Owners or offering to rent said Dwelling or Lot to person(s) who are Owners is permitted, including the rental by an Owner for Family.

6.1.g Violation of the Short Term Rental Restrictions shall subject the Members(s) in violation of such Restrictions to Penalties, including any and all authorized by the Declarations, these Restrictions, or the PCA.

Penalties:

6.21c.A Under the PCA and the Declarations, the Association has the power to impose a penalty of the suspension of a Member's privileges as a member of the Association as set forth in the Declarations while a violation is uncured.

6.21c.B Under the PCA and the Declarations, the Association has the power to impose penalties of up to \$100 per day per violation for violations of the Short Term Rental Restrictions.

6.21c.C The imposition of Penalties and associated fees, charges, late charges and other charges imposed pursuant to N.C. General Statute (including sections 47F-3-102, 3-107, 3-107.1 and 3-115) are enforceable as assessments.