

GUEST POLICY  
Lotus Homeowners Association  
Dated November 18, 2020

The Board of Directors of the Lotus Homeowners Association, acting pursuant to the powers set forth in the Declaration, Bylaws, and other duly enacted Rules and Regulations of the Homeowners Association (“the HOA Documents”), establishes a Guest Policy for the Lotus Homeowners Association as follows:

1. Purpose. According to the Declaration of Covenants, Conditions, Restrictions and Easements for the Lotus Townhomes, the term "Occupant" means and refers to the Owner or *other Person residing in a Dwelling Unit*. (See Exhibit A.) Although the Declaration require Occupants to follow certain rules and observe certain prohibitions, the Declaration does not establish the time it takes for a guest to become an Occupant. This Guest Policy is the Board’s effort to establish criteria or time periods for persons to move from an undefined “guest” status to the defined “Occupant” classification. This Guest Policy is NOT an attempt to unreasonably restrict or regulate any Owner’s right to permit any other person to reside for any length of time in the Unit through arrangements or transactions which the parties themselves do not regard as a lease.

2. Coordination with HOA Rules; Acknowledgment. Owners are responsible to ensure that their guests at all times observe and abide by applicable Rules and Regulations in the HOA Documents. Except as provided in paragraph 3 regarding the maximum number of pets, any guest who resides in a Unit with the permission of its Owner for 60 days or more shall be regarded as an “Occupant” as the term is defined and used in the Declaration, and shall sign an acknowledgment form stating that such guest accepts “Occupant” classification under the Declaration and agrees to abide and be bound by applicable Rules and Regulations in the HOA Documents for so long as the guest resides in the Unit.

3. Pets. The pets of a guest are permitted on the Property subject to all HOA Rules for Keeping Pets whenever the guest’s pets come onto the Property. If such pets remain upon the Property for seven days or more, then such pets shall be counted as pets of the Owner for the purposes of determining the maximum number of pets allowed.

4. Owner Residing in the Unit. Subject to the requirements set out above in paragraphs 2 and 3, Owners may permit any person to reside for any length of time in the Unit with the Owner, as long as the Owner resides there at least 25% of the time during any calendar quarter, whether or not any consideration is given by the guest to the Owner.

5. Minimum Value Given. Subject to the requirements set out above in paragraphs 2 and 3, Owners may permit any person to reside for any length of time in the Unit, even if the Owner resides there less than 25% of the time (or does not reside there at all), as long as the Owner receives no more than \$1,000 per month in aggregate value from or on behalf of the guest, on average, by direct payments to the Owner and/or indirect payments for the benefit of the Owner. Such indirect payments by or on behalf of a guest would include payments for

utilities or assessments, but exclude payments for food or groceries.

6. Guest regarded as Tenant. If the Board finds that a guest resides in a Unit, and the Owner resides there less than 25% of the time during any calendar quarter, and receives more than \$1,000 per month in aggregate value from the guest, on average, by direct payments to the Owner and/or indirect payments for the benefit of the Owner, then the Board may declare that the Owner's guest is regarded as a tenant, and therefore the HOA Rules for Leasing of Dwelling Units shall apply.

#### CERTIFICATION

The undersigned secretary of the Lotus Homeowners Association, a Wyoming nonprofit corporation, certifies that the foregoing Guest Policy was duly adopted and approved by the Board of Directors of the Association at a meeting of the Board held on November 18, 2020.

LOTUS HOMEOWNERS ASSOCIATION

BY: \_\_\_\_\_  
Secretary