

GOOD CAUSE DISAPPROVAL PER SECTION II
OF THE
AMMENDED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
OF
CAPE SABLE LAKES ASSOCIATION INC.

Board Disapproval

The Board has approved and adopted the following criteria for Good Cause Disapproval of applications for membership in the Association, Sale, Lease, Rental and Every Other Transfer of a lot or the interest therein. Approval of the Association shall be withheld for good cause only if a majority of the whole Board so votes. Only the following may be deemed to constitute good cause for disapproval:

- (a) The person seeking approval has been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
- (c) The application on its face or the applicant's past practices gives the Board reasonable cause to believe that the applicant intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Community;
- (d) The person seeking approval has a history of disruptive behavior or disregard for the rights or property of others;
- (e) The person seeking approval has evidenced an attitude of disregard for association rules by conduct in this Community as a tenant, home owner or occupant of a home;
- (f) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process.
- (g) The transaction, if a sale or gift, was concluded by the parties without having sought and obtained the prior approval required by the Association.
- (h) Approval of the applicant would violate or otherwise jeopardize the Association's status as a 55 and over community.