

NOTE: This is a high-level comparison of conditions under the current covenants to the proposed Covenant changes and not meant to be a detailed analysis. Please read the actual proposed Covenant changes for further details, and as always ***please send questions and comments for the Board to AMAG.***

Current Leasing Provisions

- There is **No** limitation on the number of properties that could be leased.
- Owners are required to provide the names of Tenants and other information to the Association *prior to* the effective date of the lease
- Minimum allowable lease period is 6 months
- The **lease** shall require that the tenant acknowledge receipt of all the governing documents.
- The **lease** shall obligate the tenant to comply with the rules.
- In addition to other remedies the Board *may evict the tenant* on behalf of the owner.
- All provisions in the Covenants shall also apply to occupants / tenants.
- Fines may be levied against either owners or occupants. If levied against the occupant and not paid the fine may then be levied against the owner.

Issues.

- Leased properties can continue to grow without limit
- We (The HOA) are not receiving proper notifications. We are usually surprised to find out after the fact that a property is being leased.
- We don't have copies of the lease and do not know if the provisions specified by our existing Covenants are included in the lease language.
- We don't have on record any acknowledgements that the tenants have received the governing documents.
- We are not regularly receiving the names or contact information for all tenants, so do not have all the information we need to communicate with occupants.
- We have only been notifying and fining owners for violations, but not the tenants.
- Unless we get a volunteer to do the required administrative work, we will need to pay our management company \$150 each to gather and record lease information, and begin administering current lease provisions
- We are seeing increasing numbers of leased properties, including companies like Zillow and others buying properties with the possibility of further growth of leasing by corporate owners.
- Generally conducting a business is not allowed unless by exception of the Board, but there are no specific restrictions for short term rentals like VRBO, or Airbnb.

Proposed Covenant changes

- Leases are limited to 5% of the total properties (13)
- Leasing is not allowed unless a leasing permit is issued.
- Existing leased properties will be allowed to continue to be leased i.e., be "grandfathered" in as permitted leases.
- New leases will only be permitted on a hardship basis until the total number of leases is below 5%
- Lease language must be reviewed and approved at least 14 days *prior to* the execution of the lease.
- Each Lease shall be deemed to contain Language from the Covenants describing lease provisions for example, compliance with ARC rules, whether it is specifically written in the lease, or not.
- Compliance by the tenant with community rules is required as part of the lease, and tenants can be fined.
- Tenants become personally liable for all assessments, fines & other charges, but the owner remains ultimately responsible.
- There is an additional \$150 annual administration fee for each leased property to cover the added expense from the management company, i.e., this is a pass-through expense, and not income for the HOA.
- A professional lawn service is required for all leased properties unless waived by the board.
- Short term use of the property, or hotel-type use through services like Airbnb, VRBO, etc., is prohibited.