

## HILLCREEK HOA RULES AND REGULATIONS AMENDMENT

WHEREAS The Regency Woods Division 4 Homeowners Association Hill Creek (“the HOA”) exists for the purpose of maintaining the quality of life for the residents of the neighborhood, and

WHEREAS The HOA further exists to protect the market value of all properties in the neighborhood, and

WHEREAS The Board finds that renter-occupied properties are much more likely to be poorly maintained, and

WHEREAS The Board finds that renter-occupied properties are much more likely to be found in violation of HOA Rules and Regulations, and

WHEREAS The Board finds that owners of rental properties are much less likely to be involved in the HOA by participating in meetings or Board membership, and

WHEREAS The Board finds that the number of rental properties is increasing,

THEREFORE the Home Rules and Regulations document is amended as follows:

Insert a new sub-section in Section 4.10 “RENTING / LEASING” immediately after Section 4.10.1 as follows:

### 4.10.2 RESTRICTIONS

#### 4.10.2.1 WAITING PERIOD

No property in the HOA shall be rented until at least two (2) years have passed since the closing date of purchase of the property by a new owner. The term “rented” includes rental agreements, leases, sub-leases, and any other arrangement in which the owner does not occupy the property as their principal residence and allows others to occupy the property.

#### 4.10.2.2 RENTAL CAP

No property in the HOA may be rented if doing so would cause the number of rentals in the HOA to exceed 20% of the total number of properties, or 22 properties, whichever is greater. Any owner who wishes to rent out their property must contact the Business Manager in advance, to determine if such rental is permissible.

#### 4.10.2.3 EXCEPTIONS

The owner of a property on the date of adoption of this amendment is immune from the Rental Cap restriction on that property. However, such exception ceases immediately upon transfer of the property to any other owner.

Owners of properties who were (a) on active duty, or (b) not actively serving and who are called to active duty in the U.S. Armed Forces while owning such property are permitted to rent their property for the duration of their active duty. Such owners shall cease to rent their property at the end of any existing lease or within six months of completion of such active duty, whichever is shorter.

The Board shall retain the right to grant emergency exceptions at its sole discretion.

The Board shall maintain at all times a current record of all property owners who enjoy an exception to this restriction.

#### 4.10.2.4 NONCOMPLIANCE

Violation of this Restriction shall result in a fine in the amount of 50% of the monthly rent being collected by the owner. If the actual monthly rent is unknown, the Board shall determine the fair market rent value of the property by any means available. This fine shall be assessed monthly until the owner complies or transfers ownership. The Board retains the right to reduce or waive any such fine at its sole discretion. Any and all direct and indirect consequences of the violation shall be borne by the owner in violation. The HOA itself, however, claims no eviction rights.

#### 4.10.2.5 NOTIFICATIONS

The Board shall take all reasonable actions to ensure that prospective buyers of properties in the HOA are aware of this Restriction.

In cases of possible violation, the Board shall notify the owner by available means, and wait 30 days for a response before imposing a fine.