

Section 1: [Declaration of Covenants, Conditions and Restrictions, Article IX & Short-Term Rental Amendment]

No Lot or Residence shall be leased for transient or hotel purposes, nor through any short-term rental platform (including Airbnb or VRBO) for a term of less than twelve (12) consecutive months. No Owner may lease a Residence unless the Owner has occupied the Residence as their primary residence for at least twenty-four (24) months prior to leasing.

Section 2: [Declaration of Covenants, Article V, Section 5.6] Compliance Committee Fining Authority and Lien Enforcement

Upon receipt of a complaint of a covenant violation, the Compliance Committee shall notify the Owner in writing. If the violation is not corrected within ten (10) days, the Board of Directors may levy a fine against the Owner, which fine shall constitute a special assessment and a continuing lien against the Owner's Lot.

MARKUP #1 ->



MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Declaration of Covenants, Conditions and Restrictions, Article IX & Short-Term Rental Amendment (p. 1): Reasonableness Review of Retroactive Leasing Bans Depriving Existing Owners of Vested Property Rights

Statutory / Legal Reference: Mississippi Supreme Court Precedent (k.g., Kephart v. Northbay Property Owners Ass'n, 134 So. 3d 784 (Miss. Ct. App. 2013); Armstrong v. Ledges Homeowners Ass'n)

Statutory Comparison: Under Mississippi appellate precedent, amendments to restrictive covenants that impose substantially new burdens on existing owners - such as a 24-month owner-occupancy prerequisite before leasing - are subject to judicial review for reasonableness with respect to the original development scheme and cannot be enforced retroactively against existing leases without grandfathering.

CURRENT WORDING IN DOCUMENT:

[Declaration of Covenants, Conditions and Restrictions, Article IX & Short-Term Rental Amendment] Retroactive Leasing and Short-Term Rental Prohibition Adopted by Majority Vote - No Lot or Residence shall be leased for transient or hotel purposes, nor through any short-term rental platform (including Airbnb or VRBO) for a term of less than twelve (12) consecutive months.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Declaration of Covenants, Conditions and Restrictions, Article IX & Short-Term Rental Amendment ([Declaration of Covenants, Conditions and Restrictions, Article IX & Short-Term Rental Amendment] Retroactive Leasing and Short-Term Rental Prohibition Adopted by Majority Vote - No Lot or Residence shall be leased for transient or hotel purposes, nor through any short-term rental platform (including Airbnb or VRBO) for a term of less than twelve (12) consecutive months. No Owner may lease a Residence unless the Owner has occupied the Residence as their primary residence for at least twenty-four (24) months prior to leasing.) to conform with Mississippi Supreme Court Precedent (k.g., Kephart v. Northbay Property Owners Ass'n, 134 So. 3d 784 (Miss. Ct. App. 2013); Armstrong v. Ledges Homeowners Ass'n) and the manual attorney audit recommendations for Hidden Hills Homeowners Association, Inc..