

ISSUE #1

MARKUP #1 ->

Section 1: [Supplemental Leasing Rules, Section 3.2] Amendment Lowering Leasing Cap Immediately Terminates Existing

The Board of Directors may amend these Leasing Rules at any time to reduce the maximum percentage of Lots permitted to be leased within Westhaven, and any such reduction shall apply immediately to all Owners who have not yet executed a lease, regardless of when the Owner purchased their Lot.

Section 2: [Design Guidelines, Section 9.5] Prohibition on Displaying Non-U.S. Flags and Armed Forces Banners

Owners may display one (1) United States flag mounted on a porch bracket approved by the Town Architect, but no other flags, including state flags, military branch flags, or commemorative banners, may be displayed on the exterior of any Residence visible from a public street or park.

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Supplemental Leasing Rules, Section 3.2 (p. 1): Applying New Leasing Restrictions to Existing Owners Prior to Transfer of Title Violates Vested Property Rights Under Tenn. Code § 66-27-702

Statutory / Legal Reference: Tenn. Code Ann. § 66-27-702(a)-(b)

Statutory Comparison: Under Tenn. Code Ann. § 66-27-702(a)-(b), any amendment to governing documents that prohibits or restricts the leasing of residential property does NOT apply to a property owner who owned the property before the effective date of the amendment unless the owner agrees in writing or transfers title in a non-exempt conveyance.

CURRENT WORDING IN DOCUMENT:

[Supplemental Leasing Rules, Section 3.2] Amendment Lowering Leasing Cap Immediately Terminates Existing Owner Rental Rights - The Board of Directors may amend these Leasing Rules at any time to reduce the maximum percentage of Lots permitted to be leased within Westhaven, and any such reduction shall apply immediately to all Owners who have not yet executed a lease, regardless of when the Owner purchased their Lot.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Supplemental Leasing Rules, Section 3.2 ([Supplemental Leasing Rules, Section 3.2] Amendment Lowering Leasing Cap Immediately Terminates Existing Owner Rental Rights - The Board of Directors may amend these Leasing Rules at any time to reduce the maximum percentage of Lots permitted to be leased within Westhaven, and any such reduction shall apply immediately to all Owners who have not yet executed a lease, regardless of when the Owner purchased their Lot.) to conform with Tenn. Code Ann. § 66-27-702(a)-(b) and the manual attorney audit recommendations for Westhaven Master Community Association, Inc..