

**RESOLUTION TO ADOPT AMENDMENTS TO  
DECLARATION OF HORIZONTAL PROPERTY OWNERSHIP FOR  
THE HOLCOMB ESTATE HORIZONTAL PROPERTY REGIME**

Our Board of Directors of The Holcomb Estate Owners Association, Inc. (“Association”) proposes and recommends that the owners approve amendments to the Declaration of Horizontal Property Ownership (the “Declaration”) for our community. The purpose of this amendment is to address the concerns of many owners regarding the potential for increased numbers of rental properties in our community, including short-term rentals on platforms such as Airbnb. Specifically, we are concerned that the market could change in the near future, thereby leading to an increased number of rentals and investor-owned properties, which may in turn have a negative impact on property values and the community as a whole. In order to protect the investment we have all made in our properties, it is the desire of the Board that The Holcomb Estate remain an owner-occupied community.

The current Declaration contains very few restrictions regulating or limiting rentals in our community. In order to regulate the leasing of homes in The Holcomb Estate, our Board of Directors proposes adding new restrictions to the Declaration which will ban leasing, except in certain pre-approved hardship circumstances. This would include a ban on all short-term rentals. Owners who have leases in place as of the date on which these amendments (if approved) are recorded would be grandfathered until they sell their units, provided they submit proof of an existing lease to the Board.

For these restrictions to be approved, the owners representing 67% of the Units in our community must approve the amendments.

Specifically, the Board now proposes adoption of the following amendments:

**AMENDMENT #1**

**Section 21(a) of the Declaration, which currently reads as follows, is hereby deleted in its entirety:**

(a) Lease. It is in the best interests of all the Owners that those persons residing in The Holcomb Estate have similar proprietary interests in their Condominium Units and be Owners. For the purpose of maintaining the congenial and residential character of The Holcomb Estate, no Owner other than Declarant shall lease his Condominium Unit or enter into any other rental or letting arrangement for his Condominium Unit unless such lease is in writing and is for an initial period of at least six (6) months. Any such lease shall be made explicitly subject to the terms of this Declaration and the By-Laws.

## AMENDMENT #2

**A new Section 30 is added to the Declaration, which shall read, in its entirety, as follows:**

30. Leasing. The following provisions shall be applicable to the rental and leasing of properties in The Holcomb Estate.

(a) General Prohibition of Leased Units (“Rental Ban”). The Association’s Members recognize that Owner-occupants are both psychologically and financially invested in a home to a greater extent than a renter, and thus Owner-occupants maintain their property better than renters generally. The Association’s members wish to insure that the residents within The Holcomb Estate share the same proprietary interest in and respect of the Units and the Common Areas, and to encourage residents to not only maintain property values but also to improve them by recognizing that Owner-occupants have more incentive to do so compared to non-Owner Occupants. Thus, there shall be no leasing or rental of any Unit except as otherwise provided in this Section 30.

(b) “Rental” and “Lease” Defined. The “Rental Ban” described in this Section 30 is intended to apply to all forms of non-Owner occupancies, except as specifically provided herein. For the purposes of this Section 30, “rented” or “leased,” as used interchangeably herein, means leased or rented or occupied, whether or not for compensation of any kind, by anyone other than an Owner of the Unit together with members of his or her household. However, the “Rental Ban” will not apply to any situation where a Unit is occupied by members of the Owner’s immediate family, or where the Owner continues to live in the Unit as his or her principal place of residence. For purposes of this Section 30, “immediate family” shall only include the Owner’s parents, children, step-parent, step-child, grandparent, grandchild, sibling, step-sibling or spouse. This kind of “family” occupancy will not be considered to be a “rental” in the context of the Rental Ban; provided, however, the Owner and occupants will still be subject to the remaining provisions and requirements of this Section 30.

Any Unit owned by a Trustee or by a Fiduciary shall not be deemed to be a rental, provided that the resident is the Trustee, the Fiduciary of an Estate, or a beneficiary of the Trust or Estate, and further provided that no rent, payment, service or other consideration is paid or provided to the Owner or any other party in connection with that occupancy. The Trustee or Fiduciary shall submit a certificate to the Association indicating who is authorized to reside in the Dwelling.

All occupancies of a Unit by representatives, employees, agents, guests, or lessees of an Owner that is a corporation, limited liability company, partnership or other entity shall be considered rentals for the purpose of this Rental Ban and are therefore prohibited.

(c) Effective Date of “Rental Ban.” As of the date on which this Amendment is recorded in the Office of the Recorder of Marion County (the “Recording Date”), these rental restrictions shall be deemed effective. Within thirty (30) days after the Recording Date, the Board shall provide written notice to all Owners setting forth the Recording Date. The Rental Ban shall not apply to any existing lease or rental in place as of the Recording Date, so long as the Owner-

landlord mails or otherwise delivers to the Board (at the address shown in the notice of the Recording Date), within sixty (60) days after the Recording Date, a copy of each executed lease of such Unit which is in effect as of the Recording Date. The Owners of such pre-Recording Date rented Units shall not be subject to the Rental Ban, but shall be subject to the remaining provisions of this Section 30. However, when the legal Owners of record of any of the pre-Recording Date rented Units sell, transfer or convey such Unit(s) to another Owner after the date of recording of this Amendment, such Units shall immediately become subject to the Rental Ban. The failure of any such Owner-landlord of a leased or rented Unit to deliver a copy of such pre-Recording Date lease within said sixty (60) day period to the Board or Managing Agent shall result in said Owner-landlord's Unit(s) being subject to the Rental Cap and waiting period (from and after the date of expiration of such pre-Recording Date lease).

(d) Hardship Exceptions and Waiver. The Owner may request the Board of Directors to waive the Rental Ban if the Owner establishes to the Board's satisfaction that the Rental Ban will cause undue hardship. If the Board approves in writing of the Owner's request, the Owner may rent or lease said Unit, subject to any further conditions or limitations imposed by the Board in the Board's discretion, but only if the Owner satisfies all other requirements of Section 30. Such decision shall be at the sole discretion of the Board and shall be subject to further conditions and limitations as the Board may deem appropriate. An "undue hardship" is defined as:

- i. Temporary relocation of the residence of an Owner to a point outside of a fifty (50) mile radius of the perimeter of The Holcomb Estate made necessary due to a change of employment of at least one (1) of such Owners, which must be documented by written confirmation from the Owner's employer; and
- ii. Necessary relocation of the residence of an Owner due to mental or physical infirmity or disability of at least one (1) of such Owners; and
- iii. The Owner is a reservist in the United States Armed Forces who is called to temporary active duty, or is active duty personnel in the United States Armed Forces who is temporarily deployed more than fifty (50) miles from the Unit.

If an Owner desires to request an exception based upon hardship circumstances other than those specifically defined in this Subsection (d), the Owner must submit a written request describing the nature of the alleged hardship and need to rent. The Board may approve or deny such requests as it deems appropriate.

(e) General Lease Conditions. All permitted leases, including renewals, shall be in writing, and no lease shall be entered into for a term of less than one (1) year without the prior written approval of the Board. No portion of any Unit other than the entire Unit shall be leased for any period. No subleasing is permitted. All leases shall be made expressly subject and subordinate in all respects to the terms of this Declaration, the By-Laws, and any rules and regulations promulgated by the Board, as amended, to the same extent as if the tenant were an Owner and a member of the Association; and shall provide for direct action by the Association and/or any Owner against the tenant with or without joinder of the Owner of such Unit. If such provision is not in the lease, it will be deemed to be in such lease. The Owner shall supply

copies of such legal documents to the tenants prior to the effective date of the lease. Additionally, the Board may promulgate additional rules and regulations as, in its discretion, may be necessary or appropriate concerning leasing. Owners who do not reside in the Unit must provide the Board with the name of the tenant(s) and any other residents living in the Unit.

(f) Owner is Still Liable. No lease shall provide, or be interpreted or construed to provide, for a release of the Owner from his or her responsibility to the Association for compliance with the provisions of this Declaration, the By-Laws, and any rules and regulations promulgated by the Board, or from the Owner's liability to the Association for payments of assessments or any other charges.

(g) Association's Copy of Lease. A copy of each executed lease by an Owner which identifies the tenant (but which may have the rental amount deleted) shall be provided to the Board by the Owner within thirty (30) days after execution.

(h) Violations. Any lease or attempted lease of a Unit in violation of the provisions of this Section 30 is voidable at the election of the Board, except that neither party to such lease may assert this provision of this Section 30 to avoid its obligations thereunder. In the event of a violation of this Section 30, the Association, or any Owner, shall have the right to exercise any available remedies at law or equity. If the Association must take action to enforce this Section 30, the Association shall have the right to recover all costs incurred in connection with such enforcement efforts, including attorneys' fees.

(i) Burden of Proof. Anything to the contrary herein notwithstanding, if at any time a Unit is not occupied by one of the Owners thereof, there shall be a presumption that the Unit is being leased and subject to the provisions of this Section 30 and the Owner shall have the burden of proving to the satisfaction of the Board that the occupancy is not in violation of the terms of this Section 30, including, but not limited to, the delivery to the Board of a written statement of the nature and circumstances of the occupancy and any written document or memorandum that is the legal basis for the occupancy. For purposes of this Section 30 and this Subsection (i), any occupancy (including occupancy pursuant to a rent-to-buy contract or similar arrangement or pursuant to any option to purchase) by anyone other than an Owner is deemed a rental, unless the Owner delivers to the Board a written purchase contract, conditional sales contract or similar contract whereby the occupant is unconditionally and presently legally obligated to purchase the Unit. Any purported land contract, seller-financed sale contract, contract for deed, or similar agreement must be recorded with the Marion County Recorder to be deemed valid. If such land contract or seller-financed sale agreement, or a validly-executed memorandum thereof, is not recorded at the time of execution, it will be considered a rental agreement for purposes of this Section 30.

(j) Short-Term Rentals. Owners may not lease, rent, or otherwise operate their Unit on a hotel, transient or short-term rental basis. For the purpose of Section 30, "short-term rental" is defined as any term of less than one (1) year. This short-term rental prohibition includes, but is not limited to, the use of a short-term rental platform through which unaffiliated parties offer to rent a Unit or portion thereof to an occupant and collects consideration for the rental from the occupant.

(k) Rental of Garage. Nothing herein shall prohibit an Owner from renting out the garage serving his or her Unit to another Owner in Holcomb Estate, provided the Owner continues to live in the Unit as his or her primary place of residence, and so long as the Owner notifies the Association in advance of such garage rental. Notice to the Association must include a copy of the occupancy agreement, the name of the tenant(s), and the expected duration. All such rentals must comply with local zoning ordinances. Garages may only be rented by Owners in Holcomb Estate.