

April 19, 2017

Dear Townehomes of Deer Creek Owner:

The Board is pleased to present two (2) separate amendments to our documents which we believe will help us better maintain our community as a first-class private residential community. We are holding a Special Members' Meeting on Tuesday, May 9, 2017 at 7 PM for the purpose of asking you to approve these amendments.

The amendment to Article XII of our Declaration of Covenants and Restrictions provides the board with reasonable screening criteria to evaluate whether a potential tenant presents any financial or security risk to the community. Currently, the Board does not have the tools to adequately screen tenants and, as a result, we may be forced to approve tenants who cannot pay their rent (which has the ripple effect of the owners of those units not being able to pay their association assessments) and tenants who may have committed crimes and who have a history of creating a nuisance or other problems in a prior community.

We are not looking to make leasing impossible or even difficult, just to make leasing a transaction which does not put our other residents at risk.

The amendment to Article XI of the Declaration would prohibit very short-term rental activity (meaning 30 day or less) of the sort contemplated by Airbnb, VRBO, HomeAway and similar companies, by making the minimum lease term twelve months. Renting out units like hotel rooms does not benefit a private residential communities like ours. These "renters" enter the community for only days at a time and often have the same mindset one would have when visiting a hotel, namely to enjoy their stay but not to follow rules. Moreover, many owners who rent out their units in this fashion do not fully understand the risks associated with such activity including the possibility of accidents happening inside the units and the need to publish safety and evacuation information. For this reason, many private communities, including ours, have decided it is best for our owners not to get into the "hotel business" for the overall safety and security of our residents.

The Board decided to address the two most pressing issues for our community via these spot amendments as opposed to a full document rewrite. That document rewrite will be worked on over the coming months to ensure that the majority of our members can confidently vote yes on the entire package of documents.

We urge you to vote YES on both amendments which are being presented to you.

Very truly yours,

Board of Directors

PROPOSED AMENDMENTS TO THE
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR TOWNEHOMES OF DEER CREEK

(Additions shown by "underlining",
deletions shown by "~~strikeout~~")

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ARTICLE XI

USE RESTRICTIONS

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18. In no event may Dwelling Units be rented out as temporary, short-term or hotel-like lodging such as is offered through AirBnb, VRBO and similar companies, nor may any Dwelling Unit be listed anywhere online or in print as being available for rent on a temporary, short-term or hotel-like lodging basis.

ARTICLE XII

CONVEYANCES, SALES, LEASES AND TRANSFERS

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~~2. Rental or Leases: A Unit shall not be leased or rented without the prior written approval of the Association. The Board of Directors shall have the right to require that a substantially uniform form of lease be used.~~

~~_____ In the event the Board of Directors approves a rental or lease, such approval of a lease or rental shall not release the Unit Owner from any obligation under this Declaration.~~

~~_____ Independent of and in addition to the Association's right to pass on and approve or disapprove any such attempted lease of any Unit, is the right of the Association hereby given and granted of first refusal to lease any Unit offered for lease by any Unit Owner. Accordingly, no Unit Owner shall lease his Unit to any party without first giving the Association notice in writing of such lease as herein provided, thereby giving the Association the opportunity to determine whether it will exercise the right of first refusal to lease said Unit on the same terms and conditions as those contained in any bona fide offer which the Unit Owner may have received for the lease of his said Unit, the Association is desirous of exercising its option to lease said Unit on the same terms and conditions as are contained in said bona fide offer, then the Association shall notify the Unit Owner of said Unit desiring to lease the same of the exercise by the Association of its election to so lease said Unit, such notice to be in writing, and send by~~

~~certified mail to said Unit Owner within fifteen (15) days from receipt by the Association of the Unit Owner's notice to said Association as hereinabove required. If the Association has elected to lease such Unit, then upon notifying the Unit Owner of such Unit of its election to lease said Unit, the Association shall execute a lease and shall consummate said lease, all on the same terms and conditions as those contained in said bona fide offer. If the Association does not, within fifteen (15) days after notice to it from the Unit Owner, exercise its right of first refusal herein granted, the Unit Owner may lease the Unit to the proposed lessee, provided that the Association has approved the lessee as hereinabove stated. If the Board of Directors of the Association shall so elect, it may cause its right of first refusal to lease any Unit to be exercised in its name for itself or for a party approved by the Board of Directors. No portion of a Dwelling Unit may be rented and Dwelling Units may only be rented to natural persons. A Dwelling Unit shall not be leased or rented without the prior written approval of the Association, which approval shall not be unreasonably withheld. No Owner may lease his or her Dwelling Unit more than once in a twelve (12) month period, measured from the commencement of the most recent prior lease. The Association shall have the right, in its sole and absolute discretion, to grant a hardship exception to the foregoing restriction should the circumstances warrant same. No Owner may lease his or her Dwelling Unit during the first twenty-four (24) months of ownership, measured from the date of recordation of the most recent instrument conveying any interest in title to the Dwelling Unit, except that this prohibition against leasing during the first twenty-four (24) month of ownership shall not apply to transfers by devise or inheritance to members of the deceased owner's family, as defined hereinabove, transfers of Dwelling Units to the Association, including, but not limited to, Dwelling Units acquired through foreclosure, or transfers to add a member of the Owner's family, as defined hereinabove, to the title for estate planning purposes. In the event of conveyance of title with an approved occupant in possession under lease, said moratorium against leasing during the first twenty-four (24) months of ownership shall commence upon expiration of lease. No lease may be for a term of less than twelve (12) months. The Association shall have the right, in its sole and absolute discretion, to grant a hardship exception to the foregoing restriction should the circumstances warrant same. No single rooms may be rented and no transient tenants accommodated or permitted. The rental or lease of a Unit is subject to the same approval process for purchases outlined in this Declaration with the exception that the Association is not required to substitute a Lessee for any leases which are denied approval. Any Unit Owner who attempts to circumvent the leasing restrictions contained herein or who violates the leasing restrictions contained herein shall be ineligible to lease his or her Dwelling Unit for the twelve (12) month period following the discovery of such circumvention or violation. Notwithstanding the foregoing, the Association is not prohibited at any time from leasing out any Dwelling Unit to which it takes title as a result of foreclosing on a Dwelling Unit for delinquent assessments owed or accepting a deed in lieu of foreclosure on a Dwelling Unit for delinquent assessments owed.~~

A Dwelling Unit shall be considered leased any time it is occupied by a tenant. The Association shall have the right to require that a substantially uniform form of lease be used and that such lease form include the requirement that the lessee post

a refundable security deposit with the Association not to exceed the maximum amount permitted by the Act, and, if the Act is silent, not more than one month's rent or Two Thousand Dollars (\$2,000.00), whichever is less. The lease shall include a provision granting the Association authority and standing to evict any lessee of an Owner who is in breach or violation of this Declaration or the rules and regulations of the Association. In the event the Association approves a rental or lease, such approval of a lease or rental shall not release the Owner from any obligation under this Declaration, and the tenant shall have the right to use the facilities and Common Property to the exclusion of the Owner unless the tenant waives such rights in writing. Regardless of whether or not expressed in the applicable lease, if any, an Owner shall be jointly and severally liable with his, hers or their tenants to the Association for any amount which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant or for the acts and omissions of the tenant(s) or occupant(s) (whether or not subject to a lease) which constitute a violation of, or non-compliance with, the provisions of this Declaration and of any and all rules and regulations of the Association. All tenants shall comply with and be subject to the provisions of this Declaration, the By-Laws, the Articles of Incorporation, the Rules and Regulations, and the Act and the provisions of same shall be deemed expressly incorporated into any lease of a Dwelling Unit. Subleases are strictly prohibited unless the Association, in its sole and absolute discretion, approves same as the circumstances may warrant.

When a Dwelling Unit is leased, a tenant shall have all use rights in the Common Property otherwise readily available for use generally by Owners, and the Owner of the leased Dwelling Unit shall not have such rights. The exclusive use rights of the Lessee shall extend for the full term of any approved lease, unless the lease is terminated due to the death of the tenant or a medical emergency involving the tenant. Nothing herein shall interfere with the access rights of the Owner as a landlord pursuant to Chapter 83, Florida Statutes. Dual usage by an Owner and a tenant of Common Property is prohibited.

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