

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

**AMENDMENT TO RULES AND REGULATIONS
OF
THE PRESERVE AT MAYFIELD RANCH HOMEOWNERS ASSOCIATION, INC.**

(Leasing Policy)

Document reference. Reference is hereby made to that certain Declaration of Condominium Regime for The Preserve at Mayfield Ranch Condominiums, filed of record as Document No. 2013005392; as well as amendments thereto filed as Document Numbers 2013018165, 2013037094, 2013063622, 2013088368, 2014042091, 2014099181, 2015033079, and 2016032160, all in the Official Public Records of Williamson County, Texas (together with all amendments and supplemental documents thereto, the “**Declaration**”).

Reference is further made to “The Preserve at Mayfield Ranch Homeowners Association, Inc. Bylaws”, attached as “Attachment 2” to that certain Community Manual [for] The Preserve at Mayfield Ranch Condominiums, filed of record as Document No. 2013005406 in the Official Public Records of Williamson County, Texas (together with any amendments thereto, the “**Bylaws**”).

Reference is further made to the “Initial Rules and Regulations”, attached as “Attachment 3” to that certain Community Manual [for] The Preserve at Mayfield Ranch Condominiums, filed of record as Document No. 2013005406 in the Official Public Records of Williamson County, Texas (together with any amendments thereto, the “**Rules**”).

WHEREAS the Declaration provides that owners of units subject to the Declaration are automatically made members of The Preserve at Mayfield Ranch Homeowners Association, Inc. (the “**Association**”);

WHEREAS the Association, acting through its board of directors (the “**Board**”), is authorized to adopt and amend rules and regulations governing the property subject to the Declaration and the operations of the Association pursuant to Article 12 of the Declaration and Section 82.102(a) of the Texas Uniform Condominium Act; and

WHEREAS the Board has voted to adopt the Leasing Policy attached as Exhibit “A” to supplement the previously-adopted Rules;

THEREFORE the Leasing Policy attached as Exhibit “A” have been, and by these presents are ADOPTED and APPROVED.

Subject solely to the amendments contained in Exhibit “A”, the Rules remain in full force and effect.

THE PRESERVE AT MAYFIELD RANCH HOMEOWNERS ASSOCIATION, INC.

Acting by and through its Board of Directors

Signature: _____
Printed Name: _____
Title: President

Exhibit “A”: Leasing Policy

Acknowledgement

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was executed before me on the _____ day of _____, 2018, by
_____ in the capacity stated above.

Notary Public, State of Texas

DRAFT

EXHIBIT A

LEASING POLICY

Summary of Key Provisions

- * Prior to leasing, an owner must apply to the Association, via its management company, and obtain a leasing permit
- * Owners who are leasing their units at the time this Policy is adopted must apply for a permit within 60 days of adoption.
- * Owners who are leasing their units at the time of adoption of this Policy will be granted a permit so long as within 60 days of adoption: (1) the owner provides the information required by Rule 2(f), below; and (2) the owner is otherwise in compliance with the governing documents.
- * The minimum lease term is 12 months.
- * All leases must be subject to the governing documents and owners must provide a copy of all governing documents to tenants.
- * Owners must perform background checks on all tenants and occupants, and may not lease to those with certain criminal history.
- * A copy of all leases (including leases existing at the time of this rule adoption) must be provided to the Association.
- * Owners must contact property management to authorize providing tenants with a gate remote and access codes to community amenities.
- * An administrative fee is due in accordance with Rule 16, below.

1. **Definition of Leasing.** A Unit is deemed “leased”, and its occupants deemed “tenants” for purposes of these Leasing Rules and other leasing related provisions in the governing documents except when: (i) the Unit is occupied by the Unit Owner; (ii) the Unit is occupied by a person immediately related to the Unit Owner by blood, marriage, or adoption¹; (iii) the Unit is vacant; or (iv) title to the Unit is held by a corporation, trust, partnership, or other legal entity for the primary purpose of providing occupancy to the current occupant. This definition applies irrespective of whether there is any written agreement between the Unit Owner and the occupant(s) or whether any financial consideration has been provided for the right of occupancy.
2. **General Lease Conditions.** The leasing of Units is subject to the following general conditions:
 - a. Minimum lease term is 12 months. No Unit may be rented for an initial lease term of less than 12 months, except that the Board will have the sole discretion on a case-by-case basis to grant prior written consent for a shorter lease term in cases of hardship. However under no circumstances will a lease term of less than 6 months be allowed. (*See also* Declaration Article 12, Section 12.1)
 - b. No renting rooms. No Unit may be subdivided for rent purposes, and not less than an entire Unit may be leased.
 - c. Written leases only; mandatory lease provisions. All leases must be in writing, must contain the names of all tenants and occupants, and must be made subject to

¹ A situation where an owner lives with an unrelated individual for purpose of companionship, regardless of whether the companion contributes to living expenses, will not be considered a lease under these rules.

the governing documents, including but not limited to the Declaration and the Rules.

- d. Must provide tenants with Association documents. An owner must provide his tenant with copies of the Declaration and the Rules of the Association.
- e. Tenants subject to Association documents. Each tenant is subject to and must comply with all provisions of the Declaration, Rules, federal and state laws, and local ordinances.
- f. Owner must provide Association copies of all leases and lease renewals, and proof of background checks. An owner must provide the Association a complete and legible copy of the fully-executed lease, and any lease renewal documents, both of which must include the names of all tenants and occupants within 15 days of occupancy by a tenant or renewal of a lease.
- g. Owner must be in good standing in order to lease or renew. An owner must be in good standing, defined for the purposes of these leasing rules as having no outstanding violations of the Declaration, Bylaws, or Rules, and no delinquent amounts owed to the Association. **If an owner is not in good standing, he is not eligible to lease his unit or to renew any already-existing lease that was entered into at a time when the owner was in good standing.**
- h. Prior to leasing, owners must apply to the Association and obtain a leasing permit. A permit will be granted only if:
 - i. the owner applying for the permit is in good standing;
 - ii. there is no permit waiting list (with the exception of hardship permits); and
 - iii. a non-refundable administrative fee of \$100 is submitted with the permit request.
- i. Revocation of leasing permits. A leasing permit shall be automatically revoked upon the happening of any of the following events:
 - i. the sale or transfer of the Unit, unless there is an existing, binding lease agreement at the time of transfer (in this instance, the permit will expire at the termination of the lease that was in place at the time of transfer).
 - ii. the failure of an owner to lease his unit after issuance of the permit for a period of 90 days.
 - iii. the failure of an owner to have his unit leased for any consecutive 90-day period thereafter.
 - iv. after the execution of one properly-permitted lease, the failure of the owner to provide the Association with a copy of any subsequent renewal or new lease agreement within 90 days of the expiration of the term of the previous lease.
 - v. on or after any date referenced by an owner to the Association that the Owner will no longer need the leasing permit.
- j. Waiting list. If more than 16 Units have been granted lease permits, then no additional lease permits shall be issued, except in the instance of hardship conditions (Rule 10), until the number of outstanding lease permits is less than 16. Owners who have requested a lease permit and have been denied shall be automatically placed on a waiting list for a permit, and shall be eligible for same when the number of outstanding permits drops below 16. The waiting list shall be maintained in chronological order, with the first owner requesting a permit being the first to be offered a permit when one becomes available. The issuance of a hardship agreement shall not cause an owner to be removed from the waiting list for a permit.

3. **Owners leasing at time of adoption of Policy.** Owners who are leasing their units at the time of adoption of these leasing rules shall automatically receive a leasing permit after submission of a request to the Association within 60 days of the adoption of these leasing rules, provided that at the time of request: the Owner provides the information required by Rule 2(f); the Owner's account is in good standing; and the Owner is not otherwise in violation of the governing documents.

For the purposes of the leasing cap outlined in Rule 6, owners who request a permit under this section shall be counted towards but not subject to the 16-unit cap. If, after adoption of this policy, more than 16 lease permits are requested by owners currently leasing their units no additional permits will be granted until the number of permits outstanding falls below 16.

4. **Background checks required.** Prior to leasing to anyone or allowing anyone except the Unit Owner, or an individual related to the Owner by marriage, blood or adoption, to occupy a Unit, an Owner must assess the criminal background of potential occupants and without limitation obtain a report based upon Texas Department of Public Safety criminal history and sex offender searches both for the named tenants/occupants under the lease and all unnamed persons whom the Owner knows, or comes to know, are occupying or will occupy the leased Unit. (Criminal reports may be purchased from the DPS website at www.txdps.state.tx.us for a small fee).

If a Unit is being leased at the time of this rule adoption, the Owner must perform the due diligence outlined above within 15 days of being sent a notice of the adoption of this provision.

An Owner must provide proof of screening within 3 days of a request from the Association. Owners should consult their own attorneys in determining criminal history disqualifications, but for example and without limitation, to the maximum extent allowed by law, sex offenders who are required to register as such with the Texas Department of Public Safety are not allowed to be occupants.

5. **Unit Owner must provide all association governing documents, including all rules, to tenant and lease must be subject to such documents.** Each lease must be in writing and must provide that the lessee is bound and subject to all of the obligations under the Declaration, Bylaws, and Rules of the property. It is the owner's responsibility to ensure that these documents are provided to prospective tenants prior to entering into a rental agreement, and that a copy of said documents are attached as an exhibit to the rental agreement at the time the rental agreement is executed. *For existing leases at the time of this rule adoption, owners must provide copies of all governing documents to tenants within 60 days of the effective date of this rule.*
6. **Cap on total number of Units leased.** All leases must be for an initial term of at least 12 months, except in hardship situations approved by the board pursuant to Rule 10. No more than 16 Units may be leased and no more than 16 lease permits shall be valid at any given point in time, subject to the right of the Board to grant a waiver from this lease cap for hardship, and the rights of owners who are leasing their units at the time of adoption of this policy, as more particularly described in this leasing policy.
7. **Leasing and renewals with permit.** If a unit owner has a valid leasing permit, the owner may enter into new leases or lease renewals without board permission if (and only if):
 - a. The owner is in good standing at the time of the new lease or lease renewal;
 - b. A copy of the lease, along with the names of all tenants and occupants is provided to the association within 15 days of the effective date of the new lease or renewal;
 - c. The owner performs the background checks required by Rule 4, above; and
 - d. No more than 90 days has elapsed since the Unit was last occupied by tenants.

8. **Owner occupancy.** For purposes of these requirements, a unit will be considered owner-occupied only if at least one resident of an occupied unit is an owner or an immediate family member of the owner or if the unit is vacant – except that a unit being offered for lease may not be considered “owner occupied” even though the unit is then -vacant or then-occupied by an owner.
9. **Unit Owners must provide Association a copy of all leases and tenant contact information.** Owners must provide the following information to the Association within 15 days of the effective date of any lease:

- a. A copy of the lease, including the attached Rules and other documents, fully-executed by both the unit owner and the tenant(s). Sensitive information such as dollar figures, social security numbers, and dates of birth may be redacted.
- b. Contact information for the tenant, including a telephone number and email address.

For leases existing at the time of adoption of this rule, the information described in subparagraphs (a) and (b) must be provided to the Association within 60 days of the effective date of this rule.

10. **Board approval required for leasing or lease renewal if 16 units leased.** If 16 or more leasing permits are outstanding at the time an owner desires to lease his unit, any leasing activity must have the prior written approval of the board, which will *only* be granted in the event of a hardship situation. It is the owner’s duty to inquire with the association to determine how many units are leased at any time.

- a. **Hardship:** The Board may approve an Owner’s application to lease the Unit for a stated period of time (the board may in its discretion allow lease terms of less than 12 months) to avoid undue hardship. By way of illustration and not limitation, examples of circumstances that may contribute to “undue hardship” are those in which (1) an Owner must relocate to another region when market conditions do not favor a timely sale for an amount exceeding the debt against the Unit; (2) the Unit is being administered by the deceased Owner’s estate; (3) the Owner temporarily relocates and intends to return to occupy the Unit. The Owner’s application must state why a prohibition against leasing this unit would result in undue hardship to the Owner, and describe the circumstances necessitating the leasing.

Any lease approved under this hardship provision will not count as a leased unit for purposes of the “16-leased unit maximum” requirement, and will be subject to all other leasing rules and dedicatory instrument provisions.

- b. **Application and Approval.** Approval by the Board for any hardship exception must be in writing, and may not be deemed from lack of a response. The Board’s approval may be limited to a stated period of time which, if not stated, is deemed to be one year from the date written approval is granted. On expiration of that period, the Owner must apply anew for Board approval. The Board’s approval is not self-renewing.

11. **Violation of Prohibition.** A lease or lease renewal made in violation of these rules is voidable by the Board. The Board has the power to impose fines relating to enforcement of these leasing rules or any other provision of a governing document.

12. **Leasing prohibited if violations present.** Only owners current in dues and other amounts due the association and having no other outstanding violations of the governing documents of the association at the time of lease application and lease commencement may lease their Unit.
13. **Owner responsible for tenants' actions.** The owner of a leased unit is liable to the association for any violations of the governing documents by their tenants, including expenses incurred by the Association in connection with enforcement of the Documents against his tenant, or the tenants' occupants, guests, or invitees, including property damages. The Association is not liable to the owner for any damages, including lost rents, suffered by the owner in relation to the association's enforcement of the documents against the owner's tenant.
14. **Maximum occupancy requirements.** The number of tenants or other occupants in a unit may be no more than two persons per bedroom. Units may be leased for single-family residential purposes only.
15. **Permissible occupants.** Only the tenants and occupants listed on the lease may occupy the unit. Persons not listed on the lease may not remain on the property as overnight guests for more than 14 nights in any one month without prior permission from the board. Overnight guests will be deemed to be any guests present in the unit or on the property between the hours of 12:00 am and 6:00 am.
16. **Administrative fees; deposit.** Owners leasing their unit must pay to the association a one-time administrative fee of \$100 for the record-keeping necessary shall be submitted along with the request for a lease permit.
17. **Lease Forms.** All leases must be in writing and must be subject to the Declaration, Bylaws, and Rules of the Association.
18. **Subletting.** Subletting is prohibited.
19. **Eviction.** The Association shall have a right, but not the obligation, to evict any tenant or any family member or guest of the owner if such person is found by the Board to have a history of a crime described in Rule 4 above, according to official public records. Additionally, the Association shall have a right, but not the obligation, to evict any tenant or any family member or guest of the owner if such person is found by the Board to have substantially or repeatedly violated Association rules regarding noise, nuisances, noxious odors, or other rules relating to safe enjoyment of the Property by other owners and their family, tenants, and guests, or if the owner violated these rules in leasing or allowing a lease to renew.

In this regard, the Association shall be deemed an "aggrieved party" for eviction suit purposes and the Association shall be entitled to possession (i.e., dispossession of the particular offending person) of the dwelling subject to the condition that if the Association does recover possession in an eviction suit, the Association shall upon execution of a writ of possession immediately relinquish possession of the dwelling to the dwelling's Owner and shall not enter the dwelling. The Owner will be responsible for all costs associated with such eviction. Each Owner, by acceptance of a deed to a lot, hereby irrevocably appoints the Association as his attorney-in-fact to terminate the right of occupancy under the lease and evict any tenant or other occupant in the event of an uncured violation. Said attorney-

in-fact shall have the right, but not the obligation, to bring such eviction proceeding.

20. **Property access.** Access to the community is granted via a gate remote and certain amenities are accessible via access codes. The Owner must provide his tenant with a gate remote and access codes to the community amenities. If the Owner does not have a gate remote to provide to the tenant, the Owner must contact property management to authorize issuance of a gate remote to the tenant. The Owner is responsible for any fees incurred related to replacement of gate remotes. Owners are responsible for tenants' compliance with the then-current policies of the Association concerning property access and the amenities.
21. **Partial invalidity.** The invalidation of any of the provisions of these leasing rules by judgment or court order will in no way affect any of the other provisions, which will remain in full force and effect.

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After recording, please return to:

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