

## The HOA Rental Policy – Effective October 2, 2020

The HOA rental policy consists of the items below and the subsequent Notes on the HOA Rental Policy. Regarding long and short term rentals within the Laurel Ridge Country Club Homeowners Association:

- Long term rentals (rentals of 30 days or more) of an entire property are permitted. Long term rentals of a part of a property (a room, suite, apartment, etc.) are permissible only if the rental complies with the requirements of a short term rental except for duration.
- Short term rentals (rentals of less than 30 days) are permitted only if they meet the following conditions: 1) the owner of the property must be a full time resident on the premises and must be present during the term of any rental, and 2) a third party (such as a manager) may not be used to meet the preceding requirement, and 3) the total rental within the property at any time may not exceed four people, including any guests of the renters
- Aside from the exception described in the preceding bullet, short term rentals are prohibited.
- Renting a property, either short term or long term, does not change any of the owner's obligations under the HOA covenants (including not creating a nuisance, maintaining the property, abiding by permitted uses, and so on).
- In the event of a violation of the HOA rental policy, to the extent that the violation is also a violation of Waynesville ordinances (including the zoning code), the HOA will first seek to cause Waynesville to correct the violation through enforcement of its ordinances.
- If Waynesville fails to correct the violation through enforcement of its ordinances, or if the violation is not also a violation of Waynesville ordinances, the HOA will seek to correct the violation using the measures provided under Chapter 47F of the North Carolina General Statutes (the North Carolina Planned Community Act; i.e., notices, fines and liens).

### Notes on the HOA Rental Policy

Long Term Rental The HOA covenants anticipate rentals that involve rental of an entire property on a long term basis. Waynesville zoning defines long term as 30 days or more and it permits such a rental. Moreover, the legal opinion that the board obtained as a result of the motion passed in the 2019 annual meeting stated that attempts to restrict an owner's ability to rent a property on a long term basis are generally frowned upon by North Carolina law.

Short Term Rental Waynesville zoning for the Eagle Nest Zoning District, of which the HOA is a part, permits only one form of "lodging" (i.e., short term accommodation). That exception is called a "Bed and Breakfast Home", and the key requirement to be met in order to operate under that exception is that the "The owners or managers of a bed and breakfast home shall reside on the premises." Within the HOA, and under this policy, that exception will be allowed but with additional restrictions that are intended to yield a situation where an owner, who resides on the property full time and is present during the term of any rental, rents a small part of his or her home (such as a basement suite, a garage apartment, semi-attached suite or the like) to an individual, a couple, or a small family on a short term basis. **The permissibility of any short term rental will be assessed with this situation in mind.**

Use of Airbnb, Vrbo etc. Waynesville zoning does not address the means used to advertise rentals, establish and administer rental agreements, collect fees, etc. Under the HOA rental policy, an owner is allowed to advertise and establish a **permitted short term rental** (i.e., a rental that complies with all of the requirements of the HOA rental policy) using an online platform, a telephone call, in person conversations etc. provided that the owner complies with the restrictions of the HOA rental policy. **However, an owner cannot use a third party of any kind to meet, or circumvent, the requirement that the owner be a full time resident on the premises and be present during the term of any rental.**

Effective Period of the Policy The HOA rental policy will become effective immediately upon approval by the members and completion of the voting process (the email sent to the members announcing the results of the vote). The policy will be enforced on rentals made (i.e., booked) after the effective date. The policy will remain in effect until changed or cancelled by a vote of the membership under Article IV of the HOA by-laws.