

COLONIAL HILLS HOMEOWNERS ASSOCIATION, INC.

January 16,
2019

Re: **Amendments & Written Individual Ballots**

Dear
Owners:

The Association is conducting a very important vote on amendments. To vote you must do so in writing by filling out the enclosed ballots. After a brief overview of the amendments on this page, **you will be able to support the amendment by signing and returning the enclosed ballots to any Board member, or by mailing them to the following address:**

• **PO Box 3644, Riverview, FL
33568**

- **You can put it for the attention of the Colonial Hills Homeowners Association, Inc.**

The Association will also be conducting a Member's Meeting to discuss and answer questions about these amendments on February 6, 2018 at 7 p.m. at the Gardenville Recreation Center, 6215 Symmes Road, Gibsonton, FL 33534.

A. PURPOSE FOR PROPOSED AMENDMENTS

• **Proposed Amendments 1 & 2 – Bank Amendments:** These are the banking amendments. They will help make banks and corporations pay all assessments at similar rates as regular homeowners. Currently, banks and corporations can avoid paying past-due assessments, or at least a large chunk of past-due assessments, when they acquire property under certain circumstances. This means, the rest of the Members in the community have to unfairly bear that cost. In contrast, when an individual homeowner buys a property, the individual reconciles the past due assessments with the seller at the closing in order for the Association to get paid in full. This amendment, therefore, clarifies that new Owners, including banks, are put on the same playing field.

• **Proposed Amendment 3 – Amendment Procedure:** Essentially, this amendment will make it easier for people to vote on amendments and other matters. You will be able to vote by phone and computer. In addition, we are also improving the voting process by counting the votes of those who participate. Currently, an absolute number of people must vote to pass amendments. Indifferent votes count as a “no”. With the new provision, all yes votes and no votes will be counted, and indifferent votes will not.

• **Proposed Amendment 4 – Rental Amendment:** There are several reasons for this amendment. First, the State Legislature will likely begin to limit the ability of HOAs to restrict rentals in many different ways in the very near future, unless the HOA's Declaration already has the stated restrictions in place. Think of it as a “grandfathering in”. If the HOA does not pass the restrictions now, there is no guarantee they will

have that ability in the near future. Currently your documents have no time restriction nor any restriction on posting on Airbnb. Catching and addressing this amendment requires Owners to avoid short-term renting and addresses even the posting on Airbnb or other similar sites, which means less likelihood of unknown transient tenants coming and going within the community. Other rental restrictions will allow the Board to better administer tenants, and the rental process.

B. KEY

- If only a small portion of a provision is being changed a Double Underline is used if any language is being added, and a Crossed Out Line is used if language is being removed. Regular language and Single Underlines are original language that are not changing.
- [Brackets indicating original language is deleted] means original language is replaced with language shown after the brackets that have no double underlines, since the changes are extensive.
- If a new provision is being added all together, then it is indicated with language that have no double underlines, since all of it is being added. If a provision is added, it will be indicated in its title.

COLONIAL HILLS HOMEOWNERS ASSOCIATION, INC.

INDIVIDUAL BALLOT – Page 1 – (Bank & Amendment Procedure Amendments)

The undersigned Member(s) of Colonial Hills Homeowners Association, Inc., hereby votes in favor of the following proposed amendments called Banking Amendments and Amendment Procedure:

I. Proposed Amendment to Article VI, Section 1, of the Declaration: Section 1. Assessments Established. For each Lot owned within the properties, Developer covenants, and each Owner of any Lot by acceptance of a deed thereto, whether or not it is so expressed in such Deed, is deemed to covenant and agree, to pay to the Association: a) An annual assessment, as provided in Section 2 of this Article; and b) Special assessments, as provided in Section 3 of this Article; and c) Specific assessments, as provided in Section 4 of this Article; and d) All excise taxes, if any, that from time to time may be imposed by law upon all or any portion of the assessments established by this Article; and e) Interests and costs of collection of such assessments, including reasonable attorney's fees, as provided in this Declaration, and all of the foregoing are a continuing charge on the land and secured by a continuing lien upon the Lot against which each assessment is made, as provided in Section 7, below. Each such assessment or rental payment, together with excise taxes, interest and all costs and expenses of collection, including reasonable attorney's fees, also is the personal obligation of the person who was the Owner of such Lot when such assessment fell due. Every new owner, regardless of how title is acquired, including a financial institution, investor, foreclosure purchaser, successor, assignee, or grantee shall be jointly and severally liable for all amounts owing on a lot which became due prior to such sale or transfer. For the purposes of this provision, including application to a financial institution or investor, assessments shall additionally include specific assessments, fines, fees, abatements, interest, attorney's fees and costs, mortgage foreclosure and bankruptcy fees, all when incurred, and any other charges imposed by the Association pertaining to such Lot. The continuing lien shall relate back to the Declaration's recording. Such personal obligation will not pass to an Owner's successor in title unless assumed expressly in writing, however

The annual or special assessments on Class B lots shall be 50% of the corresponding assessments for Class A lots. As an alternative in lieu of such assessments, Developer may pay the excess expenses of

the Association, including reserves, which exceed the amounts collected from Class A lot assessments. Each Class A Lot shall be assessed a proportional share of the common expenses, which share is equal to a fraction the numerator which is one and the denominator of which is the total number of lots subject to assessment under this Declaration. Any changes to this provision with this amendment shall not apply to a first mortgage existing at the time of the recording of this amendment, and its respective mortgagee; but the amendment shall apply to all first mortgages for any lot that is established after the recording of this amendment, and the mortgages' respective mortgagees.

II. Proposed Amendment to Article VI, Section 11, of the Declaration: [Substantial Rewording; review Declaration for present text; it will be replaced with the following.] Section 11. **Lien Subordination.** The Association's lien established by the Declaration is subordinate to the lien of any First Mortgage. Any changes to this provision with this amendment shall not apply to a first mortgage existing at the time of the recording of this amendment, and its respective mortgagee; but the amendment shall apply to all first mortgages for any lot that is established after the recording of this amendment, and the mortgages' respective mortgagees.

III. Proposed Amendment to Article VIII, Section 4, of the Declaration: [Substantial Rewording; review Declaration for present text; it will be replaced with the following.] Section 4. **Amendment.** The provisions of this Declaration will run with and bind the Properties, and will inure to the benefit of and be enforceable by the Association for so long as the Properties are used in whole or in part as a residential community, and in all events, for at least twenty-five (25) years following the date this Declaration is recorded, after with time they shall be automatically extended for successive periods of ten years. The Association's governing documents may be amended by the affirmative vote of members entitled to cast not less than the majority of votes present at a meeting, whether in person or by proxy or electronic vote, or by the written consent of the minimum number of votes necessary to pass an amendment at a meeting of the members, and two-thirds (2/3) of the Board of Directors. No amendment shall be effective which shall impair or prejudice the rights of the Federal Housing Administration or Veteran's Administration. Board votes can correct non-material scrivener's error or omission. No amendment shall affect the surface water management system without the prior approval of the Southwest Florida Water Management District.

Owner Signature(s) Date Print Name(s)

Property Address:

**COLONIAL HILLS HOMEOWNERS
ASSOCIATION, INC.**

**INDIVIDUAL BALLOT – Page 2 – (Rental
Amendment)**

The undersigned Member(s) of Colonial Hills Homeowners Association, Inc., hereby votes in favor of the following proposed amendment called the Rental Amendment:

IV. Proposed amendment to add Section 29 to Article III of the Declaration: a. Tenant Information:

The Association finds that homeowners who have invested in the community have passed various credit and background checks with most of the institutions who loaned the money to purchase the property and their Owner information is of record in the public records, and the Association recognizes the need to ensure that for the health, safety, and welfare of the community, all tenants who live in the community should also have to disclose certain basic information and pass certain minimal thresholds of the Association and its Owners. As a result, thirty days prior to tenancy, the Association shall require a tenant information form to be complete with a copy of the lease for anyone renting a property in the Association, in addition to requiring basic background or credit checks as deemed necessary, and pay a reasonable application fee, and obtain approval from the Association. Any tenant or lease that fails to comply with the Association's information and approval process shall be deemed null and void; however, late applications may be later approved with an individual assessment for failure to follow the process.

b. Rentals: All lots must be used for single-family residential purposes; the Association does not allow the individual or multiple rental of single rooms in a home. Homes may only be used for a single-family purpose. Association may include other reasonable items in the application or use process as are needed from time to time. Only ten percent of all lots may be rented at any one time, and new owners must wait at least twelve months prior to renting the lot they own. The Board may establish and administer a wait list to handle rentals. The Association specifically provides an exigent circumstance process for its Owners in need. To seek relief or the unjust application of the above provisions, an individual may submit an exigent circumstance exception to seek the temporary waiver for hardship cases, on a case by case basis. Sub-leasing is prohibited.

c. Hotel Style Rentals: To protect the health safety and welfare of our residents, Owners are prohibited from renting their lots as short-term rentals, and all leases must be for at least twelve months, or even posting lots on any peer-to-peer online marketplace or homestay networks, including but not limited to Airbnb or VRBO; any violators of this provision shall be barred for twelve months from the authority to rent any lots to a third party. Any occupant, who is not the Owner, who resides within in a lot that is posted to a peer-to-peer online marketplace or homestay network, including but not limited to Airbnb or VRBO, shall be automatically deemed in violation of the rental provisions and be barred from renting for a year, along with other available remedies. Properties may not be leased more than twice during a consecutive twelve month period No time shares a permitted, or transient tenants. No home shall be used a bed and breakfast, or have any foot traffic going to home due to any kind of business.

d. Governing Documents & Remedies: Breach of the rental rules and regulations or the governing documents shall allow the Association to evict a tenant, along with other available remedies under these governing documents or law, including but not limited to: (1) levying compliance based individual assessment from a schedule; (2) issuing fines under the statutory fining process; (3) seeking private or statutory mediation or arbitration; (4) seeking injunctions or lawsuits for damages; (5) seeking eviction of non-Owner occupants and tenants; and (6) any other remedy available at law. The Owner shall pay all costs and attorney's fees that the association may incur as a result of enforcement at the time the expense is incurred, and fully indemnify the Association for any damages or claims related to enforcement.

e. Additional Provisions, Guidance, and Definitions: For the purposes of the financial viability of the community or the marketability and insurability of the properties or the federal purchasing of mortgages, the Association shall have additional authority to make clarifications and improvements to rentals. More specifically, the Association may in the future define the necessary limits and implement reasonable rules and regulations governing total number of rentals, Ownership limits (i.e., no bank or hedge fund, or related

entity, may own more than five units within the community), forbearance, guest limits, family member definition, rental cap administration, rental security, tenant definitions in the modern world, governing document copy issuance, and corporate entity Ownership, composition, or related parties.

Owner Signature(s) Date Print Name(s)

Property Address:
