

DOUGHERTY LAKE HOMEOWNERS' ASSOCIATION - SPECIAL MEETING

Leasing Amendment Addition to Restrictive Agreement of Dougherty Lake Subdivision

October 19, 2020, 5:00 – 7:00 p.m. - The Lodge at Des Peres – Oak Room - 1050 Des Peres Road, 63131

5:00 p.m. – Welcome remarks.

John Steuterman introduced the Trustees in attendance: John Steuterman, Rich Hall, Tom Bahn, Cathy Bouchein and Carel Reynolds

Homeowners in attendance: Bill Reynolds, E. J. Scally, Greg and Linda Hoffmann, Charles and Barbara Schrock, Sara Loft, Doug Campion, Shawn Kelly, Don Magruder, Daniel Lueckenhoff, Luis Tumialan, Ken and Katelyn Seger, Somboon Sajjapong, Rich Powers, Karen Myrick and Karen Hoops.

Des Peres Officers Sean Quinn and Eric Hall also attended to give an update on Des Peres activities.

5:15 - 6:30 p.m. - Q&A to Amend Current Indentures (proposed indenture addition below)

John Steuterman started the meeting by saying that the majority of the trustees would encourage questions and comments but that the amendment could not be amended at the meeting, that it had to be voted yes or no. This is because of the Designated Proxy votes that had already been cast.

Two homeowners, (Bill Reynolds and Charles Schrock) questioned the validity of the conversion of Dougherty Lake from a Trusteeship to a Non-Profit Corporation. John responded that Missouri Best Practices now recommend subdivisions change to a NPC for Liability Protection for the trustees and homeowners.

Gregg Hoffmann questioned the wording in the amendment being presented as he believed that it was not enforceable as written.

One resident (Doug Campion) requested clarification as to why the amendment was presented in an expedited manner with no input from the homeowners.

Cathy Bouchein responded that the reason was that we needed to stop attempts by Rent to Own companies from buying up homes in DL and leasing them. Thus, maintaining the integrity and home values of our residents in our subdivision. Since we are still working on the new indentures and since DLS's current indentures are completely absent leasing language, we as trustees felt that was in the best interest of the DL homeowners to act quickly.

The Trustees advised the residents in attendance that if the amendment is passed and the language needs to be changed, it can be changed when we go through the process of updating the indentures through the normal amendment process in the future.

One resident asked for background information about the proposed indentures being developed for DLS with our attorney and why it has never been run by the homeowners.

John responded that the proposed new Indentures have been a work in progress with our new attorney and would soon be going out to the homeowners for their review and comments.

6:30 p.m. – Voting took place and everyone left the meeting except the trustees

6:45 p.m. - Ballot/Directed Proxy Tabulation

Amendment Vote:	Yes – 78	No - 6
Method of Voting:	Proxy – 69	In Person - 15

7:00 p.m. - Meeting Adjourned

NOTE: A list of homeowners eligible to vote is available by request to Carel Reynolds.

Respectfully submitted: Carel Reynolds, Communications Trustee
October 20, 2020

AMENDMENT TO RESTRICTIVE AGREEMENT OF DOUGHERTY LAKE SUBDIVISION

THIS AMENDMENT to the Restrictive Agreement is made and entered into as of this ____ day of _____, 2020 by Dougherty Lake Homeowners' Association.

WHEREAS, Dougherty Lake Subdivision ("Subdivision") is a residential community created and existing under the "Restrictive Agreement of Dougherty Lake" as recorded in Book 6567, Page 2375, as amended, in the records of St. Louis County, Missouri ("Restrictions"); and

WHEREAS, the Owners are authorized to amend the Restrictions by approval of a majority of owners in attendance at a meeting; and

WHEREAS, the Owners desire to adopt contemporary leasing restrictions and regulations to transition to a wholly owner-occupied community; and

WHEREAS, this Amendment is in the best interests of the community as a whole.

NOW THEREFORE, the Restrictions is amended as follows:

A. *A new Section 28 of the Restrictions related to leasing is inserted to read as follows:*

"28. RESTRICTIONS ON USE & LEASING. The Association deems it to be in the best interests of the community as a whole to preserve the Subdivision as a community in which the Lots are occupied by the Owners. Accordingly, the purpose of this Section 28 is to foster Owner-occupancy and thereby improve stability among residents, inhibit transiency and protect property values, by prohibiting current and future owners from being able to lease and adopting reasonable regulations if a Lot is authorized to lease.

(a) **Definitions.** For purposes of this Section:

(1) **"Direct Family Member"** means children, parent, grandchildren, grandparent, caregiver, in-laws, stepchildren, or siblings of the Owner.

(2) **"Lease"** means any agreement for the exclusive possession of the Lot that creates a relationship of landlord-tenant or lessor-lessee in which the record Owner does not occupy the Lot.

(3) **"Owner-Occupied"** means that the resident of the Lot is the record Owner, his or her siblings, parents, children, grandchildren, grandparents (and their families). In the event the Lot is owned by a trust, the Lot shall be deemed to be owner-occupied if the Lot is occupied by a beneficiary of the trust, as long as the beneficiary is also the grantor of the trust, or the Lot is occupied by the spouse or direct family member of the grantor of the trust.

(4) **"Governing Documents"** means the Restrictions and any rules as may be adopted by the Board.

(b) **Restriction on Leasing.** An Owner shall be prohibited from leasing the Lot unless the Lot is being leased at the time of adoption of this Amendment; said Lot shall be prohibited from leasing upon the earlier of the lease term expiring or the current tenants vacate.

The Board may waive the limitation on leasing in this Section 28(b) for a reasonable period of time in the event of personal hardship or unanticipated circumstances such as military service, sabbatical, job transfer, or medical conditions. Any such waiver shall be in writing and signed by the Owner and the Board. In the event a waiver is granted, the Owner may lease the Unit for the term granted in accordance with the regulations in Section 28(c) below.

(c) **Lease Regulations.** Any lease permitted under this Section 28 and executed or renewed on or after the Effective Date shall be evidenced by a written lease agreement ("Lease") and, whether or not expressly set forth in the Lease, shall be deemed to include the regulations contained in this Section.

(1) **Copy of Lease.** The Owner shall furnish to the Board, at least ten (10) days before the commencement date, a copy of the executed Lease and a lease addendum if required by the Association ("Addendum"), as well as the names and contact information of the tenant and all occupants. The Lease shall comply with the Governing Documents.

(2) **Persons Subject to Governing Documents.** The Lease, Owner and tenant(s)/occupant(s) are subject to the provisions of the Governing Documents.

(3) **Term of Lease.** The Lease shall have an initial term of twelve (12) months. Any renewal or extension of the Lease, and any sublease of the Lot or assignment of the Lease, shall be in writing and a copy submitted to the Board at least ten (10) days prior to its commencement date. Further, any lease renewal or extension may not exceed twelve (12) months at a time.

(4) **Short Term Rentals.** No Lot may be leased on a nightly or monthly basis, or for transient or hotel purposes including home exchange, swap or via Airbnb®, VRBO® or their functional equivalent. Not less than the entire Lot may be leased. If a lease is voluntarily terminated within 180 days of commencement, the Lot may not be leased for 180 days after the date of termination.

(5) **Certification.** The Owner certifies that he/she obtained a background check and provided a copy of the Governing Documents to tenant, and tenant certifies that he/she received said Documents, prior to signing the Lease.

(6) **Assignment of Rights.** The Owner assigns to tenant all rights and privileges related to occupancy of the Lot. The Owner retains the right to vote, the duty to pay assessments, fines and other charges by the Association, and the obligation to maintain the Lot and carry a personal insurance policy on the Lot.

(d) **No Time-Share.** No Lot may be conveyed under a time-sharing plan.

(e) **Rulemaking.** The Board may adopt such rules, regulations, and forms as it deems reasonable and necessary to implement the provisions of this Section.

(f) **Reasonable Restraint on Alienation.** The leasing limitations of this Section shall be deemed a reasonable restraint on alienation and not a change in the use of Lots, which shall continue to be used for single-family residential purposes.

(g) **Enforcement.** The Association is authorized to enforce any violation by tenant or occupant (regardless of relationship to Owner) of the Governing Documents, except for nonpayment of rent, and may deem such violation a default of the Lease and shall have the right, after notice to the Owner and opportunity to cure, to terminate the Lease by judicial proceeding, and shall have all other remedies under the Governing Documents. In the event the Owner fails to pay any assessment and related charges and fees for 60 days or more, the Board, upon written notice, may direct the tenant to pay rent directly to the Board which shall be applied to the Owner's account until the delinquency is paid in full; otherwise, however, the foregoing shall not impose any direct liability on a tenant to pay any general or special assessment on behalf of the Owner."