

The Board of Directors Of the Lee's Crossing Homes Association

November 20, 2017

To the Lee's Crossing Owners:

Re: The Proposed Amendment to the Declaration and the revisions incorporated after the November 9 Meeting with the Owners

The initial proposed amendment, along with an explanation letter from our attorney, was sent to the owners on October 21st by email. The explanation letter was also included in the November 2 newsletter. Both the proposed amendment and the explanation letter were also posted to the neighborhood website (Leescrossingmarietta.com). We also advertised and conducted a meeting with the owners on November 9, to review the details of the proposal, receive owner input and answer questions (minutes of the November 9 meeting will be posted to the Lee's Crossing website.) Our attorney, Jay Lazega, was also present at the meeting to answer questions. Jay has been our attorney for more than twenty years, is one of the leading association law attorneys in the state and was one of the authors of the Georgia Property Owners' Association Act. Jay has advised hundreds of associations regarding protective covenants, and he personally drafted our proposed amendment, including revisions.

The proposed amendment addresses three areas of concern: parking of common and customary pickup trucks and passenger vans, initiation assessments for new purchases, and leasing restrictions to regulate leasing and to promote the character of the neighborhood as primarily owner occupied.

The Board has received a significant amount of positive input from owners by email, telephone calls, and through questions and comments at the November 9 meeting. The Directors considered all comments and questions, and, after further communication with our counsel, revisions were made to the proposed amendment. Also changed will be the manner of approval - the owners will be given consent forms in three separate parts, letting each section stand on its own merit.

1. Parking of Common and Customary Pickup Trucks and Passenger Vans

This is to correct a possible ambiguity in the current covenants that common and customary pickup trucks and passenger vans may be prohibited (i.e.: half ton pickups such as Ford F150). In addition, the amendment provides that common, heavier duty pickup trucks are also allowed. Changes to our proposed amendment, after feedback from owners, also include that common passenger vans (including those that are not classified as minivans or SUVs) are also allowed. The prohibition against parking commercial vehicles, except for those providing service to homes, remains. Restrictions regarding parking do not apply to vehicles parked in garages.

2. Initiation Assessment

The initiation assessment is proposed to provide a source of revenue which would be paid primarily by new purchasers. Exempted are sales to certain close relatives and to entities for estate planning purposes. The proposed fees would raise approximately \$7,500 per year with an average turnover in ownership of 5% annually.

The initiation fee received most of the feedback in the November 9 meeting. Some owners questioned why we need an initiation assessment. Some owners thought we should just raise the general assessment against everyone, because our assessment is lower than all other swim & tennis neighborhoods in the City. In response, we have changed the proposed amendment to clarify that the purpose of the amendment is to provide additional revenues for capital reserves and capital improvements. As to why we do not simply raise the general assessment on everyone, we considered that our existing owners have paid for such reserves and improvements over many years. In addition, many of our owners paid, through a special assessment, to purchase our recreational facilities from the developer's lender (that special assessment was coincidentally about the same amount as the proposed initiation assessment). Our counsel explained in the meeting that initiation assessments are very commonplace and, in his experience, do not discourage sales.

3. Leasing

The purpose of the leasing restrictions is to provide additional incentives for the neighborhood to remain primarily owner occupied, to provide additional regulations for those owners who rent and to prohibit certain tenants because of criminal status.

While leasing owners are often responsible, many do not live in the area (some live out of state) and do not inspect their properties on any regular basis. Leasing owners generally do not make property improvements that are made frequently by owner occupants. While many tenants are good neighbors, tenants in general are not as likely to be responsive to our efforts in the enforcement of our standards. This has been the Board's experience over several years and is confirmed by our attorney in regard to his experience with several hundred neighborhoods. The City of Marietta recognized that property values are degraded by excess rentals and is taking steps to reduce rental properties. Additional rentals in our community will not, at the very least, add value and enjoyment.

Leasing will be limited to 35 homes, plus additional permits granted for hardship. In response to owner input, the proposed amendment was changed to provide that the Board must exercise good faith in the granting of hardship permits (a refusal to grant any hardship permits, for example, would be bad faith). Also in response to owner input, changes were made to consider military transfers.

Grandfathered owners will not have to obtain permits to lease, but will still be required to follow the leasing restrictions in the amendment. The proposed amendment initially provided grandfathered status only to those who were leasing nine months prior to the effective date of the proposed amendment. After input from the owners, the grandfathered status was changed to be for those owners who have been leasing as of the notice of the initial proposed amendment (October 21, 2017).

Owners desiring to lease, who are not grandfathered, will pay an additional administrative fee in the same amount as the general assessment. Grandfathered owners will pay a reduced annual administrative fee (1/3). The Board intends to hire a third party to administer the leasing regulations and believes that the administrative fees collected should provide for that expense.

The leasing restrictions ban short term rentals and include early lease termination fees to prevent workarounds to allow short term leases. After owner input, a change was made so that the early lease termination fee will not apply in the event the tenant is judicially evicted or if the lease is terminated because of a military transfer.

Other changes were suggested including: that the grounds for termination of a permit be more specifically defined, that the notification period for a proposed lease be shortened from 14 days to 7 days, and that landlords sign affirmative statements that the required screening of tenants did not find any prospective occupant to be a convicted felon, on the sex offender registry or on any most wanted list. These changes were all made.

We hope you will review the proposed amendment and find it to be in the best interest of the neighborhood. It is our intention that the amendment be submitted to the neighborhood along with the 2018 notice of assessment. Approval of each of the three sections will require the affirmative consent of two-thirds of the eligible owners.

Sincerely,

The Board of Directors
The Lee's Crossing Homes Association