

Section 24. Leased Lots

The owner(s) of a Lot may lease the Lot and all improvements thereon, including the entire residence, to one or more tenants, on the express condition that the Owner(s), Tenant(s) and other occupants comply with the following requirements:

1. Purpose: The purpose of this section is to establish standards for leasing real property in all Villages identified above, comprising the Villages Subdivision, to protect property values, encourage persons to reside there on a permanent basis, and preserve the peaceful, residential nature of the neighborhood. In general, bona fide long-term residential leases are allowed. Any other rental of a Lot, including but not limited to use of a Lot for short-term rental, as a timeshare, vacation rental, hotel, motel, hostel, boarding house, bed and breakfast, event site, meeting location, or any other operation which allows tenants or customers to stay on a Lot for periods of time of less than one contiguous year, is strictly prohibited.
2. Compliance: No Lot may be leased unless the Tenant(s) and Owner(s) sign a written agreement (and a fully executed copy is provided to the Board) by which they agree to comply with the Declarations of Restrictions, Covenants, and Conditions; the Articles of Incorporation and Bylaws of Villages Homeowners' Association, Inc.; and any policies, procedures, rules, and/or regulations applicable to the subdivision and/or validly adopted by as they may be subsequently amended; and all other dedicatory instruments which apply to the property in the subdivision or to as they may be subsequently amended, as these documents may be subsequently amended. The agreement referenced above must provide that the Owner(s) and Tenant(s) of each Lot are jointly and severally responsible for any and all violations involving that Lot, whether committed by the Owner, Tenant, other residents, and/or guests.
3. Duration and Nature of Lease: Lots may be leased only pursuant to a long-term residential lease agreement (defined herein to mean a lease for the purpose of providing the Tenant(s) with their primary residence, with a duration at least one contiguous year). Lots may not be leased pursuant to any type of short-term, temporary, or transitory lease agreement (defined to mean a lease with a duration of less than one contiguous year), timeshare, vacation rental, holiday home, villa holiday, or any similar arrangement. In addition to the required duration, to be considered a long-term lease agreement, the Tenant(s) must use the Lot as their primary residence, and the majority of the Tenant(s) must actually reside on the Lot as their primary residence during the period of the lease.
4. Scope of Lease: No residence, room, outbuilding, or other portion of a Lot or residence may be leased separately from the remainder of the Lot. A Lot may only be leased in its entirety, including the entire Lot, any residence located thereon, and all other improvements on that Lot. The Owner(s) of a Lot may not continue to reside

on the Lot at any time a lease is in effect.

5. Permitted Residents and Guests: A tenant and his family and servants may reside on the rented Lot. A Tenant may allow guests to stay on the premises for up to fourteen consecutive overnights, but only while at least one Tenant is present. No more than two persons may reside on a Lot for each bedroom thereon.
6. Tenants vs. Guests: As used herein, "Tenant" shall refer to any person other than an owner or person residing on a Lot with the Owner(s). A person meeting that definition shall be considered a Tenant regardless of his or her relationship to the Owner(s), and regardless of whether he or she provides consideration to the Owner(s) in exchange for the use of the Lot. "Guest" shall refer to any person who stays temporarily on a Lot (defined as up to fourteen consecutive nights).
7. Common Areas: When a lease agreement is in effect entitling one or more Tenants to occupy a Lot, the Tenant(s) and other residents of that Lot [instead of the Owner(s)] are entitled to the use and enjoyment of the common areas. However, nothing in this section shall prohibit the Owner(s) of a Lot from using the roads in the subdivision. The Villages Homeowners Association, Inc. shall provide the Tenant(s) and the Owner(s) with the gate code to the North Beach Park. No Owner, Tenant, or other resident shall provide any other person with such gate codes.
8. Amenities: The Villages Homeowners Association, Inc. shall provide the Tenant(s) or at least one Owner with the means to use the amenities provided by the association. No Owner, Tenant, or other resident shall provide any other person with cards or gate codes allowing her or him to use the amenities provided by the association, except they may make reasonable arrangements to allow guests to do so.
9. Septic System: The septic system for each residence must have sufficient capacity for the number of persons residing in that residence.
10. Parking: The driveway for each Lot must have sufficient parking space available to provide and allow all Tenants and other residents to park their vehicles without parking any of them on the roads or other common areas.
11. Examples: The following examples illustrate the conduct which is permitted, that which is prohibited, under this section:
 - a. Permitted: The following conduct is considered to be either use by the Owner or use under a long-term residential lease agreement, and is therefore permitted:
 - i. One or more Owners occupying a Lot as their single-family residence;
 - ii. One or more Owners occupying another dwelling as their primary residence, and using their Lot as a vacation home or part-time residence;
 - iii. One or more Owners residing on a Lot and allowing their minor children, parents, or other relatives to reside with them on that same Lot;

- iv. One or more Owners residing on a Lot and allowing their adult children to reside with them on that same Lot, whether or not they charge rent;
 - v. An Owner residing on a Lot while his or her live-in boyfriend, girlfriend, fiancé, or significant other resides with the Owner on that same Lot;
 - vi. One or more Tenants occupying a Lot as their permanent single-family residence, and paying rent to the Owner(s) under a bona fide lease agreement;
 - vii. One or more family members of an Owner occupying a Lot as their permanent single-family residence, with no lease agreement and without paying rent to the Owner(s);
 - viii. One or more Owner(s) allowing guests to stay in their residence while the Owners reside there; and
 - ix. One or more Tenants(s) allowing guests to stay in their residence while the Tenants reside there.
- b. Prohibited: The following conduct is considered a short-term rental, a commercial use, and a violation of the restriction to single-family residential uses, and is therefore prohibited:
- i. An Owner leasing his or her Lot to one or more Tenants under a vacation rental arrangement such as those available on AirBnB, VRBO, Homeaway, FlipKey, Keycafe, Guesty, or Beyond Pricing;
 - ii. An Owner or Tenant operating a hotel, motel, hostel, boarding house, bed and breakfast, or any other operation which allows tenants or customers to reside on a Lot for periods of time of less than one contiguous year;
 - iii. More than one person owning a lot under a timeshare or similar arrangement;
 - iv. An Owner or Tenant allowing one or more guests to stay on a Lot, on a temporary or permanent basis, when the Owner or Tenant is not present;
 - v. An Owner allowing one or more Tenants to reside on a Lot, while the Owner is continuing to occupy that Lot;

 - vi. An Owner renting different bedrooms or portions of a Lot to different Tenants who are not related, and/or under different lease agreements;
 - vii. A Tenant leasing a Lot while occupying a different dwelling as his or her permanent residence; and
 - viii. An Owner leasing his or her Lot to one or more Tenants under a long-term lease agreement, but allowing multiple Tenants to move in and out of the residence during the duration of the lease agreement.

 - ix. Effective Date: This Amendment shall become effective beginning one year after it is properly adopted by the Owners and filed with the Real Property Records of Smith County, Texas.

 - x. Interpretation: By adopting this amendment, the owners of real property

in the subdivision stipulate and agree that this section shall be liberally construed by the Board of Directors and any court to give effect to its purposes and intent. They acknowledge that new arrangements may be invented that may not clearly fall into a category defined herein.