

Oak Hill at Spring Ridge Homeowners Association

Overview of New Ownership and Leasing Rules and of related documents

As previously reported to the Unit Owners on June 17, 2024, an Amendment to the HOA Declaration was recorded which did two things: 1. capped the number of Units any one Unit Owner could own and 2. capped the number of properties in Oak Hill which could be leased at 21. These limits are simply stated, but the Amendment explicitly contemplated that the board might develop rules to clarify the operation of these new limits.

Attached are the new rules and the related forms. Your board appreciates that they may be a bit imposing at first glance. But, with one minor exception discussed below, these rules and forms DO NOT apply to a new Unit Owner (or Owners) who purchases a single Unit in personal name to live in and not rent. And these rules and forms DO NOT apply to existing rental arrangements. Other new Unit Owners who do not fit into these categories should read the rules and forms carefully to see what compliance may be required of them.

These new rules and forms have been prepared with the advice of counsel to make sure that they conform with the 2024 Amendment and any applicable law(s). We believe they will fairly allow all future boards to ensure that the new ownership and leasing limits duly approved by the Unit Owners will guarantee the special character of our community into the future.

What follows are some general comments about the new rules and forms to aid your review. Please understand that nothing in these comments modifies any of those new rules and forms.

1. Enabling Resolution:

This document formally adopted the new rules and forms.

2. Ownership and Leasing Rules:

First, please add these to your current copy of the HOA rules and regulations.

In general, these rules detail the compliance required to demonstrate that a new Unit Owner who already owns a unit at Oak Hill and/or is buying a Unit through an entity is not in violation of the new rules. Similarly, any new Unit Owner planning to rent the new Unit being purchased has new disclosure and compliance responsibilities.

There are two main themes running through the new rules. The first is that there must be complete transparency when an Entity Owner purchases a unit

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such that the board will understand who the ultimate human beings are who benefit from the entity ownership. The disclosure needed to provide such transparency varies from entity to entity and the rules provide guidance about the kind of disclosure required. In the case of units being leased, the rules tighten up the disclosure to tenants and require a lease addendum to make sure the tenant explicitly agrees to obey the Oak Hill rules. Leases now in effect are not subject to the new rules unless the lease ends and a new lease begins, in which case the new lease is subject to the new rules.

3. Resale Certificate. (Not attached):

Because these new rules are or may be significant to someone contemplating buying a unit in Oak Hill, we have worked diligently with Danella to make sure that the resale certificate application highlights the new rules. This gives advance notice to any prospective buyer of an Oak Hill Unit that certain restrictions on ownership and leasing are in force.

4. Application for Approval Form:

This form must be completed by every purchaser. Most purchasers will have minimal disclosure. New purchasers who already own a Unit at Oak Hill, and/or are purchasing a Unit through an entity (such as an LLC or trust), and/or are planning to lease the Unit being purchased, are subject to greater disclosure, which is detailed and outlined in the Form and then detailed in the rules.

5. Required Lease Addendum:

This addendum is now a required part of every new lease of an Oak Hill Unit. It needs to be signed by both the landlord and tenant at the time the lease itself is signed.

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6. Tenant/Non-tenant Information Form:

The first page of this form must be completed only if someone other than the unit owner is the primary resident of a unit, whether or not a lease is in place. The form guides the disclosure required in each case.

The second page is required of every purchaser.

Follow Up Questions

If you have any questions or concerns, please e-mail them to Diane Gothard at Danella. Her e-mail address is: dgothard@danellarealty.com.

DATED: MARCH 25, 2026