

BOONE'S TRACE PROPERTY OWNERS ASSOCIATION, INC.
RENTAL RULE AND REGULATION/POLICY

WHEREAS, under the collective authorities provided to the Board of Directors of the Boone's Trace Property Owners' Association, Inc. ("Association") contained within the governing documents of the Association which include: the Articles of Incorporation, as amended ("Articles"), Fifth Amendment and Restatement of Covenants, Conditions and Restrictions for Boone's Trace Development ("Declaration") and Bylaws of the Association ("Bylaws"), along with those duties and powers provided for the Boards of Directors under KRS Chapter 273 Nonprofit Organizations (more commonly referred to as the Kentucky Nonprofit Corporation Act), the Board of Directors has the authority and the duty to enforce the Declaration (CC&Rs) of the Boone's Trace Development and establish rules and regulations (policies) governing the use of the lots and the structures thereon in the Boone's Trace subdivision (collectively, the "Lot(s)");

WHEREAS, Article III(a) of the Articles of the Association provides that one of the Association's purposes is "[t]o promote the social welfare and serve the common good and general welfare of members of the Corporation";

WHEREAS, Article III(b) of the Articles of the Association provides that one of the Association's purposes is "[t]o promote the general improvement and protection of Boone's Trace Development in Madison County, Kentucky, as a residential community";

WHEREAS, Article III(h) of the Articles provides that another of the Association's purposes is "[t]o enforce the current restrictive covenants filed in the Madison County Clerk's Office as amended or changed from time to time";

WHEREAS, Article III(i) of the Articles provides that another of the Association's purposes is "[t]o perform such other and further acts as are necessary and appropriate to accomplish the foregoing purposes";

WHEREAS, Article V of the Declaration provides, in pertinent part, that "[a]ll Owners/Members shall abide by the Association's By-laws, rules and regulations ...";

WHEREAS, Article IV of the Declaration provides that the "Properties shall be used only for residential ... purposes ...";

WHEREAS, Section 13 of Article IV of the Declaration provides that "[n]o trade or business of any kind shall be conducted upon any Lot, except a home-based business with one employee (who is the Lot owner), if the business does not require use of the common areas for deliveries, parking, meetings, or for any other purpose";

WHEREAS, the Kentucky Supreme Court has determined that the short-term, transient occupancy of a lot is the business activity carried out upon that lot;

WHEREAS, as determined by the Kentucky Supreme Court, a lot owner's advertising of short term rentals renders that property the equivalent of a hotel, which is not a permitted use on the Lots;

WHEREAS, as the Kentucky Supreme Court further determined, it makes no difference that all advertising and financial transactions may be conducted through the internet;

WHEREAS, Article V(2) of the Declaration provides that the "Association shall in all reasonable ways act to promote the health, safety and welfare of the Owners, which duties shall include, without limitation: (a) Enforcement of the provisions of this Declaration"; and

WHEREAS, the Board of Directors desires to establish a rule and regulation/policy for the Association relating to short term leasing/rental of the Lots.

LET IT BE RESOLVED THAT, the following Rule and Regulation/Policy was duly adopted by the Board of Directors:

Any lease of a Lot shall be in writing. No Lot may be leased for a period shorter than one (1) year. A Lot may only be leased in its entirety and no portion of a Lot may be separately leased by individual floor, room or otherwise. No "short-term" rentals of Lots, such as through Airbnb or Home Away/VRBO or similar online marketplace and hospitality services enabling persons to lease or rent "short-term" lodging, are permitted. No more than one lease shall be in effect at any one time on a Lot. There shall be no subleases on a Lot. Notice of the lease, the identity of the lessee and the terms of the lease shall be disclosed to the Association in writing prior to commencement of the term of the lease. The Association may condition any lease on the Lot Owner obtaining credit and criminal records reports on the prospective lessees that are reasonably acceptable to the Association.

Signed: Brent McKune Date: 10/16/2023

President-Board of Director

Recorded in the Book of Minutes this 16 day of October, 2023

Attested: _____ Date: _____

Secretary-Board of Director

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