

WEATHERSFIELD

at Fearrington Village

October 4, 2022

Dear Weathersfield homeowners:

Subject: An amendment to our Covenants to cap rentals at 12%

Our April 2022 survey of the Weathersfield community on whether rental caps should be added to our Covenants was favorable. 79% of respondents were in favor and of those, all felt the appropriate range for a cap was 10-15% of houses at a time when 8-9% of houses in Weathersfield were being currently rented. Comments received in the course of the survey indicated included a desire for hardship consideration and some desire not to exclude the possibility that future house buyers might wish to rent their new Weathersfield houses until they were able to move in. Given this feedback, the Board elected to construct a rental cap amendment specifying a 12% limit of houses rented, hardship provisions and no requirement for non-rental for a specific period after house purchase, provided the cap was not yet reached. It is that amendment the Board now proposes.

This package contains a copy of the proposed amendment along with a ballot for each Weathersfield house. A formal voting process has begun now and will be concluded December 2, with no chance of extension. This process conforms with state law. We ask that you read the amendment and return your ballot (instructions for ballot return are on the ballot) before December 2. Our Covenants require a positive vote of at least 75% of our homeowners (one vote per house required), which in our community of 104 house is a minimum of 78 yes votes.

The rationale behind adopting a rental cap was laid out in a points-to-consider document distributed to homeowners in June of this year. The key points were as follows.

1. We are in a high growth area for real estate. House construction in the Triangle and Chatham County specifically is accelerating, in part due to companies constructing new sites and bringing in high numbers of jobs (e.g., VinFast cars, FedEx).
2. There is high investment company interest in buying up houses across North Carolina for the purposes of long-term rental. Corporations own over 40,000 homes in North Carolina, mostly near Charlotte and in the Triangle and Triad. Delayed response to maintenance requests and charging of excessive fees to renters are among the complaints that have been filed.
3. A high proportion of rented houses can limit the ability of a homeowners' association (HOA) to get things done and can reduce homeowner engagement with each other and the maintenance of a community spirit.
4. A high proportion of rented houses in a community can negatively affect mortgage interest rates and community property insurance availability and/or premiums.

What this amendment does

This amendment would cap rentals at 12% and allow for hardship considerations if the cap has been reached.

What this amendment does not do

Provided the cap has not been reached, this amendment does not limit when or for how long an owner can rent their house. It also does not change the current restriction against short-term rentals (minimum lease time is one year) nor does it change the current restrictions of how many people can reside in one house. It also leaves intact all use restrictions that make Weathersfield a pleasurable place to live.

The Weathersfield Board approves of this step and we ask that you return your ballot by December 2.

Sincerely,

David Spencer

David Spencer, Weathersfield Service Group (WSG) VI Homeowners Association President

STATE OF NORTH CAROLINA

AMENDMENT TO AMENDED AND
RESTATED DECLARATION OF
COVENANTS AND RESTRICTIONS
FOR WEATHERSFIELD SERVICE
GROUP VI

COUNTY OF CHATHAM

THIS AMENDMENT to the Amended and Restated Declaration of Covenants and Restrictions for Weathersfield Service Group is made this ____ day of _____, 2022, by owners of lots to which at least seventy-five percent (75%) of the votes in the Weathersfield Service Group VI, Inc. (“Association”) are allocated.

WITNESSETH:

WHEREAS, Fitch Creations, Inc., a North Carolina corporation, caused to be recorded an Amended and Restated Declaration of Covenants and Restrictions for Weathersfield in Book 1433, Page 571 in the Chatham County Registry, which was thereafter amended in Book 1552, Page 964 and Book 1743, Page 224 of the Chatham County Registry (collectively, “Declaration”); and

WHEREAS, N.C. Gen. Stat. § 47F-2-117 provides that a declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated, or any larger majority the declaration specifies; and

WHEREAS, Article XI, Section 4 of the Declaration provides that the Declaration may be amended by not less than seventy-five percent (75%) of Lot Owners; and

WHEREAS, a special meeting was held on December 2, 2022, to consider amendment to the Declaration, and Owners holding [REDACTED] percent of the votes in the Association voted to amend the Declaration as set forth herein;

NOW, THEREFORE, the undersigned does hereby declare that Article IX, Section 7 of the Declaration is deleted in its entirety and inserted in lieu thereof is the following:

Section 7. Leasing. No Living Unit may be leased or rented except pursuant to the following provisions:

- (a) Definitions. For purposes of this Section 7, the following definitions shall apply: (i) the terms “lease” or “leased” shall refer to the regular, exclusive occupancy of a Living Unit by any person other than the Owner, whether such person is paying rent to the Owner (except that occupancy by a roommate of an Owner when the Owner occupies the dwelling as the Owner’s primary residence, or occupancy by an immediate family member of the Owner, whether or not the Owner occupies the dwelling, shall not be deemed a leasing situation); and (ii) the term “immediate family member” refers to a spouse or domestic partner of the Owner, or a child or parent of the Owner or of the Owner’s spouse or domestic partner.
- (b) Leasing Cap. No more than twelve percent (12%) of the Living Units shall be leased at any given time (the “Leasing Cap”), except as set forth below.
- (c) Leasing Permits. Prior to leasing a Living Unit, the Owner shall apply in writing to the Board for a “Leasing Permit”. If granting of the permit would exceed the Leasing Cap, except in the case of Hardship Permits, no Leasing Permit shall be issued. Owners who have been denied a Leasing Permit solely for the reason that the rental cap has been reached shall automatically be placed on a waiting list and shall be issued a Leasing Permit if they so desire when the number of outstanding Leasing Permits falls below the Leasing Cap.
- (d) Hardship Permits. Under demonstrated hardship conditions, the Board in its sole discretion may allow leasing in excess of the Leasing Cap via a “Hardship Permit”. In determining whether hardship conditions have been demonstrated, the Board shall consider conditions including but not limited to: (1) the nature, degree and likely duration of the hardship; (2) the harm, if any, which will result to the community if the Hardship Permit is granted; (3) whether the Owner has been granted a Hardship Permit previously; (4) the Owner’s ability to cure the hardship; and (5) the overall number of leased dwellings, including via Hardship Permits. Any lease allowed pursuant to a Hardship Permit shall have a term of not more than one (1) year. Owners may thereafter apply for an additional Hardship Permit, but such permit is

not guaranteed.

- (e) Revocation of Permits. Any Leasing Permit or Hardship Permit shall be automatically revoked if (i) the Owner fails to lease the Unit within 90 days of the permit having been issued; (ii) the Owner fails to have the Unit leased for any consecutive 90-day period thereafter; (iii) the Owner sells or otherwise conveys the Unit to another person or entity whether voluntarily or involuntarily; or (iv) the Owner advises the Board that the Owner no longer wishes to lease the dwelling. In the event a Leasing (but not Hardship) permit is revoked or surrendered, permission to lease shall be granted to the next Living Unit on the waiting list, on a first-come, first-served basis. In addition to a wait list, the Board shall maintain a list of Living Units that are leased, and the terms of the respective leases, for the purpose of determining the number of Living Units that are leased at any given time.
- (f) Lease Requirements. All lease agreements shall be in writing and shall be for a term of not less than twelve (12) months unless a shorter term is approved by the Board of Directors, in its sole discretion. Only the whole Living Unit may be leased; there shall be no partial leases or room leases. All lease agreements shall incorporate the requirements of the Declaration, Bylaws, and rules and regulations of the Association, and shall require any lessee to abide by all the obligations set forth in those documents as a condition of the lease agreement. The lease agreement must state that any failure of a lessee to comply with the terms of such documents shall be a condition of default under the lease agreement.
- (g) Occupancy Requirements. No leased three-bedroom Living Unit may be occupied by more than six (6) persons and by no more than two (2) persons who are unrelated by blood or marriage. No leased two bedroom Living Unit may be occupied by more than four (4) persons and by no more than two (2) persons who are unrelated by blood or marriage. In any event, the number of cars permitted to a lessee is restricted to two per Living Unit by the fact that each Living Unit has only one parking space and one garage available.
- (h) Provision of Lease to Board. A copy of each lease agreement shall be filed with the Board upon request.
- (i) Transient Rental Prohibited. No Living Unit may be leased for hotel or transient purposes. It is the intent of this Declaration that all leases or rentals of Living Units be for residential purposes of at least twelve (12) months in term (unless otherwise approved by the Board) and not for short-term habitation (including via programs such as Airbnb and similar enterprises). No interest in any Living Unit may be subjected to a time share program, as that term is defined in N.C.G.S. §93A-41(10).

Except as amended hereinabove, the remaining portions of the Declaration are and shall remain unchanged and in full effect. This Amendment shall be effective from the date of its recording in the Chatham County Registry; provided, however, that Section 7(b) shall not apply to a Living Unit until the first conveyance or transfer of a Lot (whether voluntarily or involuntarily) following the recording of this Amendment, and Sections 7(c) through 7(g) shall not invalidate any lease in existence as of the date of recording of this amendment.

[Signature Page to Follow]

CERTIFICATION OF VALIDITY OF AMENDMENT TO
AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
FOR WEATHERSFIELD SERVICE GROUP

By authority of its Board of Directors, Weathersfield Service Group VI, Inc. hereby certifies that the foregoing instrument has been duly approved by owners of lots to which at least seventy-five percent (75%) of the votes in Weathersfield Service Group VI, Inc. are allocated, and is, therefore, a valid amendment to the existing Amended and Restated Declaration of Covenants and Restrictions for Weathersfield.

WEATHERSFIELD SERVICE
GROUP VI, INC.

By: _____
President

Attest: _____
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he or she is Secretary of Weathersfield Service Group VI, Inc., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by _____ as its Secretary.

Witness my hand and official stamp or seal, this ___ day of _____, 2022.

Notary Public

Printed Name

My Commission Expires: _____

**Notice of Meeting by Mail and
Ballot for Approval of Amendment to
Amended and Restated Declaration of Covenants and Restrictions
For Weathersfield Service Group VI**

October 4, 2022

Pursuant to N.C. Gen. Stat. § 55A-7-08, please take notice that a special meeting of the Weathersfield Service Group VI, Inc. is being conducted by mail for the sole purpose of voting on a proposed amendment to the Amended and Restated Declaration of Covenants and Restrictions for Weathersfield Service Group VI. A copy of the proposed amendment is enclosed.

All ballots must be returned no later than 5:00 p.m. on December 2, 2022. Ballots received after that date and time will not be counted. The amendment must be approved by Owners of Lots to which at least seventy-five percent (75%) of the votes in the Association are allocated. Ballots may be hand-delivered to any Board member or returned as follows:

Via Box-drop: Weathersfield Board box in the Swim & Croquet mail kiosk

Via Email: hoa@millhouseproperties.com

Via Mail: Michelle Johnson
Mill House Properties
1720 E Franklin Street
Chapel Hill, NC 27514

BALLOT

On the issue of approval of the amendment to Article IX, Section 7 of the Declaration entitled "Leasing", the undersigned lot owner and member of the Weathersfield Service Group VI, Inc. votes as follows:

FOR the amendment

AGAINST the amendment

Printed Name

Date

Signature

Address in Weathersfield