

**UNANIMOUS WRITTEN CONSENT OF  
THE BOARD OF DIRECTORS OF  
WALNUT CREEK HOMEOWNERS ASSOCIATION, INC.**

August 30, 2022

Pursuant to KRS Chapter 273, we, Bryan Adams, Jennifer Curtis, Mindy Jump, Greg Maggard, Sudhir Palle, Ryan Peters, and Matt Sherrard, being all of the members of the Board of Directors of WALNUT CREEK HOMEOWNERS ASSOCIATION, INC., a Kentucky non-profit, non-stock corporation (hereinafter referred to as the “Association”), unanimously consent to the following Preamble and Resolutions and the actions authorized pursuant to these Preamble and Resolutions:

**RESOLUTION REGARDING  
SHORT-TERM RENTALS POLICY**

**WHEREAS**, the Association was incorporated April 30, 2003 and created pursuant to those certain Declaration of Covenants, Conditions and Restrictions for Walnut Creek Unit 1, of record in the Fayette County Clerk’s Office in Deed Book 2360, Page 67; that certain Declaration of Covenants, Conditions and Restrictions for Walnut Creek Unit 2, Section 1; Unit 2, Section 2; Unit 3 and Unit 4, of record at Deed Book 2509, Page 427 in the same office, and that certain Declaration of Covenants, Conditions and Restrictions for Walnut Creek Unit 2, Section 3, of record at Deed Book 2637, Page 317 in the same office, as may be amended and supplemented (collectively the “*Declaration*”);

**WHEREAS**, Section 1 of the Declaration limits the use of any lot within the neighborhood to single-family residential use;

**WHEREAS**, Section 1 of the Declaration also prohibits all trades, businesses, and commercial uses within the neighborhood;

**WHEREAS**, pursuant to the Association’s Articles of Incorporation and Bylaws, and pursuant to the Kentucky Nonprofit Corporation Act and common law, the Association, acting through its Board of Directors has the authority and obligation to enforce the Declaration by adopting policies and imposing sanctions for violations;

**WHEREAS**, in November 2018, the Kentucky Supreme Court handed down its decision in *Hensley v. Gadd*, 560 S.W.3d 516 (Ky. 2018), and held that a property

restriction describing lots as “single family residential lots” and limiting their use to “residential purposes” prohibits the use of a lot for short-term transient rentals;

**WHEREAS**, in *Hensley v. Gadd*, 560 S.W.3d 516 (Ky. 2018), the Kentucky Supreme Court suggested that any lease or rental for less than thirty (30) consecutive days should be considered a short-term or “transient” rental;

**WHEREAS**, the number of services offering the listing, brokerage, and marketing of short-term leasing, rental, homeshare, homestay, bed-and-breakfast, vacation rental, lodging, transient, and boarding properties has risen in recent years, and includes Airbnb, VRBO, Homeaway, and similar services;

**WHEREAS**, there exist increasing reports of problems, including crime, disputes with local government over taxes, traffic, parking, and other issues related to short-term leasing and rentals, as evidenced by “Unwelcome guests: Airbnb, cities battle over illegal short-term rentals,” Scott Zamost et al., CNBC.com, May 24, 2018, available at: <https://www.cnbc.com/2018/05/23/unwelcome-guests-airbnb-cities-battle-over-illegal-short-term-rentals.html> (last accessed July 26, 2022);

**WHEREAS**, the Association short-term transient use of lots in the Association community is incompatible with the residential nature of the community and the community and its residents has or may also experience negative impacts as a result of the short-term transient rentals.

**WHEREAS**, the Association’s Board of Directors finds that it is in the best interest of the Association and its Members to adopt the Short-Term Rentals Policy in the form attached hereto as **EXHIBIT A**.

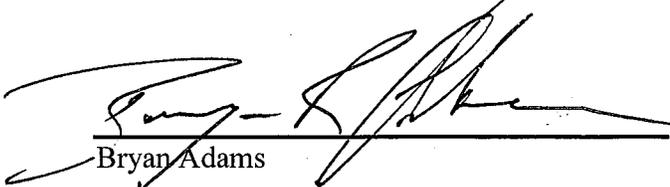
**THEREFORE, BE IT RESOLVED**, that this Short-Term Rentals Policy is hereby adopted for the Association and its Members in the form attached as **EXHIBIT A**;

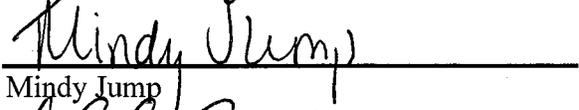
**FURTHER RESOLVED** that this Resolution shall take effect immediately upon execution by all members of the Board.

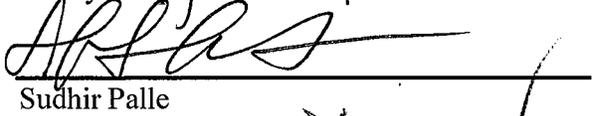
**FURTHER RESOLVED**, that the proper officers and directors are authorized to take all steps necessary to accomplish this Resolution.

WITNESS THE SIGNATURES of Bryan Adams, Jennifer Curtis, Mindy Jump, Greg Maggard, Sudhir Palle, Ryan Peters, and Matt Sherrard, being all of the members of the Board of Directors of WALNUT CREEK HOMEOWNERS ASSOCIATION, INC., a Kentucky non-profit, non-stock corporation.

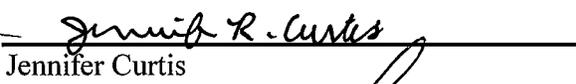
This 30 day of August, 2022.

  
Bryan Adams

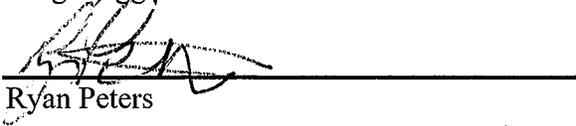
  
Mindy Jump

  
Sudhir Palle

  
Matt Sherrard

  
Jennifer Curtis

  
Greg Maggard

  
Ryan Peters

**EXHIBIT A**

SHORT-TERM RENTALS POLICY

**SHORT-TERM TRANSIENT RENTALS POLICY OF  
WALNUT CREEK HOMEOWNERS ASSOCIATION, INC.**  
(the “Short-Term Rentals Policy” or the “Policy”)

1. Walnut Creek Homeowners Association, Inc. shall be referred to as the “**Association**.” Terms used in this Short-Term Rental Policy which are not herein defined shall have their ordinary meaning.

2. “**Declaration**” shall collectively mean those certain Declaration of Covenants, Conditions and Restrictions for Walnut Creek Unit 1, of record in the Fayette County Clerk’s Office in Deed Book 2360, Page 67; that certain Declaration of Covenants, Conditions and Restrictions for Walnut Creek Unit 2, Section 1; Unit 2, Section 2; Unit 3 and Unit 4, of record at Deed Book 2509, Page 427 in the same office, and that certain Declaration of Covenants, Conditions and Restrictions for Walnut Creek Unit 2, Section 3, of record at Deed Book 2637, Page 317 in the same office, as may be amended and supplemented.

3. The definition of a “**Short-Term Rental**” is the rental or lease of all or any portion of a lot or building for a period of thirty (30) or fewer consecutive days by one or more persons or guests for consideration to the lot owner.

4. Pursuant to Section 1 of the Declaration, no owner shall permit any portion of any lot to be leased, rented, or let for use as a Short-Term Rental. Furthermore, no owner may permit any lot or any portion of any lot to be listed, marketed, brokered, advertised, solicited, or otherwise made available for use as a Short-Term Rental including, without limitation, on any website or electronic marketplace such as Airbnb, VRBO, HomeAway, or others.

5. An owner that violates this Policy shall be subject to a fine (i) equal to the total amount invoiced to the guest for the Short-Term Rental, if known; (ii) equal to the advertised nightly rental amount multiplied by the number of nights any portion of the lot was rented as a Short-Term Rental; or (iii) one hundred dollars (\$100.00) per night any portion of the Lot was rented as a Short-Term Rental or listed for rent as a Short-Term Rental, if the amounts in subpart (i) and (ii) of this section cannot be established. The Board of Directors may impose other sanctions and/or adjust the amount of any fine based on mitigating or aggravating circumstances.

6. The Association will use reasonable efforts to disseminate this policy to all members of the Association through mailing, emailing, posting to the Association website, or other similar methods designed to provide reasonable notice to Association members.

7. In the event that an owner violates this Policy the Association will provide written notice to that owner at the address on file with the Association or, if no address is on file, to the mailing address of record with the Property Valuation Administrator. If a subsequent violation of this Policy occurs, the Association will provide written notice of the violation and proposed sanction. The owner shall have the opportunity to dispute any violation or proposed sanction in writing within the time period set forth in the notice, or if no time period within ten (10) days of the mailing of the notice. Any such dispute must be in writing and include supporting

documentation. If the owner fails to dispute any violation or enforcement action in writing, then the violation and enforcement action will become final and unappealable. If an owner disputes the violation in writing, then the Association will either respond in writing, or schedule a hearing in front of the Board of Directors, or committee thereof, to hear the dispute.

8. The Association shall be entitled to use any right, power, or privilege it has pursuant to Kentucky law, the Declaration, or the Association's other governing documents, to enforce violations of this Policy, including the right to assess fines, restrict access to common areas and other privileges, and institute legal proceedings to enforce the Declaration and this Policy. Any fine imposed pursuant to this Policy, and any costs and expenses of enforcement, including attorneys' fees incurred, shall be a valid charge and lien upon the land, as well as the personal obligation of the owner of the lot at the time the violation occurred, and shall be enforceable as a lien as set forth in the Declaration

9. In the event that any provision of this Policy is found to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability. In that event, the invalid, illegal, or unenforceable provision shall be reformed in such manner as to render it valid, legal, and enforceable to the extent that it is consistent with the purpose of this Policy.

10. The Board of Directors reserves the right to modify this Policy from time to time and shall have the right to interpret this Policy, which interpretation shall be binding on the Association's members.