

**Board of Directors
Legacy Bay Homeowners Association
Vacation Rental Exclusion**

Vacation Rentals Not Permitted in Legacy Bay

The Legacy Bay Covenants, Conditions and Restrictions, Article V, Section 1, Primary Use Restrictions state: *No Lot shall be used except for private single family residential purposes.*

In a 2005 case involving a dispute between a Tennessee Property Owners Association and a property owner (Shields Mountain Property Owners Association, Inc, Et. Al. v. Marion A Teffeteller, Et. Al), the Tennessee Appeals Court in Knoxville upheld a lower court ruling that vacation rental use of property violates the “residential purposes” restriction in the Property Owners Association Restrictions.

The Legacy Bay Homeowners Association restriction cited above is worded almost exactly as the wording in the Tennessee case. The Board of Directors, after consultation with counsel, affirmed that, consistent with our CCRs and Tennessee case law, vacation rentals are not permitted in Legacy Bay.

Rentals that involve tenants establishing residency in Legacy Bay are permitted.

(Approved by the LBHOA Board of Directors, April 18, 2013)