

FOURTEENTH COURT OF APPEALS OF TEXAS

Jolie Chu v. Windermere Lakes Homeowners Association, Inc.

No. 14-21-00001-CV · No. No. 14-21-00001-CV · Decided August 30, 2022

SUMMARY

The Fourteenth Court of Appeals of Texas affirmed a declaratory judgment enforcing a homeowners association amendment that required leases in the subdivision to have a minimum duration of 180 days. The court held that the amendment was valid because the declaration authorized amendments, the required voting procedures were followed, and the amendment was consistent with the subdivision's residential-use plan and was not contrary to public policy. The court overruled Jolie Chu's sole issue and affirmed the trial court's judgment.

CASE DETAILS

COURT	Fourteenth Court of Appeals of Texas
WRITING FOR THE COURT	Ken Wise; Poissant; Wilson
JURISDICTION	Texas
DECIDED	August 30, 2022
DOCKET	No. 14-21-00001-CV
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a final declaratory judgment entered on stipulated facts under Texas Rule of Civil Procedure 263 concerning the enforceability of an amendment to subdivision restrictive covenants.
STANDARD OF REVIEW	De novo review applies to a case tried on agreed facts. The only appellate issue in an agreed case is whether the trial court properly applied the law to the agreed facts.
PRECEDENTIAL VALUE	published
PARTIES	Jolie Chu v. Windermere Lakes Homeowners Association, Inc.

TOPICS

[covenants and restrictions](#) [real estate](#) [contracts](#) [appellate procedure](#) [standard of review](#)

PRACTICE AREAS

[real estate](#) [property owners associations](#) [restrictive covenants](#) [contracts](#) [appellate procedure](#)

QUESTIONS PRESENTED

1. Whether a homeowners association may enforce against an existing property owner an amendment to restrictive covenants that imposes a minimum lease duration and thereby restricts short-term leasing when the original declaration authorized amendment and the amendment procedure was followed.
2. Whether the amendment was unreasonable or inconsistent with the subdivision's general plan of development.
3. Whether the amendment was unenforceable as against public policy or unconstitutional because of its restrictions on short-term leasing and occupancy.

HOLDINGS

1. A validly adopted amendment to restrictive covenants may be enforced against owners who acquired their property before the amendment, including owners who did not vote for it, when the original restrictions authorized amendment, the prescribed amendment procedure was followed, the owners had constructive notice that the restrictions could be amended, and the amendment is not illegal or against public policy.
2. The amendment's 180-day minimum lease duration and related occupancy requirements were reasonable because they reinforced the existing single-family residential-use restriction and were consistent with the subdivision's general plan or scheme of development.
3. The amendment was not shown to be unenforceable as against public policy or unconstitutional merely because it restricted short-term leasing and required the owner and occupants to intend that the property become the occupants' residence.

KEY QUOTATIONS

"Considering these decisions and the authorities cited therein, we agree with our sister courts that validly passed amendments to restrictions, for which purchasers had constructive notice of the possibility of amendment, should be enforced if the amendment is not illegal or against public policy." (5)

"Courts should refrain from nullifying a transaction because it is contrary to public policy, 'unless the transaction contravenes some positive statute or some well-established rule of law.'" (7)

FACTUAL BACKGROUND

Jolie Chu purchased two homes in the Windermere Lakes subdivision in 2014 and 2016, improving and furnishing them for short-term leases of thirty days or less. The recorded declaration originally required lots to be used for single-family residential purposes and authorized amendment by an instrument signed by owners of at least 51 percent of the lots. In 2019, approximately 79 percent of the homeowners approved an amendment barring leases of fewer than 180 days and requiring the owner and occupants to intend that the property become the occupants' place of residency. Chu stipulated that the amendment's voting and procedural requirements were satisfied but challenged its enforcement against her.

PROCEDURAL HISTORY

Chu purchased two homes in the subdivision intending to lease them for terms of thirty days or less. After approximately 79 percent of the homeowners approved an amendment requiring leases to last at least 180 days and imposing related occupancy requirements, Chu sued the homeowners association for a declaration that the amendment could not be enforced against her. The trial court ruled that the amendment was enforceable and ordered Chu to comply. The Fourteenth Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Andriukaitis-Woodlands Med. Office, I, LLC v. Woodlands-N. Houston Heart Ctr., PA, No. 14-13-00612-CV, 2014 WL 4854590, at *2 (Tex. App.—Houston [14th Dist.] Sept. 25, 2014, pet. denied) (mem. op.)
- Taylor v. First Cmty. Credit Union, 316 S.W.3d 863, 866 (Tex. App.—Houston [14th Dist.] 2010, no pet.)
- Poole Point Subdivision Homeowners' Ass'n v. Degon, No. 03-20-00618-CV, 2022 WL 869809 (Tex. App.—Austin Mar. 24, 2022, pet. filed) (mem. op.)
- Adlong v. Twin Shores Prop. Owners Assoc., No. 09-21-00166-CV, 2022 WL 869801 (Tex. App.—Beaumont Mar. 24, 2022, pet. filed) (mem. op.)
- Hanchett v. East Sunnyside Civ. League, 696 S.W.2d 613, 615 (Tex. App.—Houston [14th Dist.] 1985, writ ref'd n.r.e.)
- Couch v. S. Methodist Univ., 10 S.W.2d 973, 974 (Tex. Comm'n App. 1928)
- Tarr v. Timberwood Park Owners Ass'n, 556 S.W.3d 274, 277, 280, 291-93 (Tex. 2018)
- JBrice Holdings, L.L.C. v. Wilcrest Walk Townhomes Ass'n, 644 S.W.3d 179, 188 (Tex. 2022)
- Teal Trading & Dev., LP v. Champee Springs Ranches Prop. Owners Ass'n, 593 S.W.3d 324, 338-39 (Tex. 2020)
- Lawrence v. CDB Servs., Inc., 44 S.W.3d 544, 553 (Tex. 2001)
- Armstrong v. Ledges Homeowners Ass'n, Inc., 633 S.E.2d 78 (N.C. 2006)
- Wilkinson v. Chiwawa Cmty. Ass'n, 327 P.3d 614 (Wash. 2014)
- McMillan v. Iserman, 327 N.W.2d 559 (Mich. App. 1982)
- Shelley v. Kraemer, 334 U.S. 1, 20-21 (1948)
- Zaatari v. City of Austin, 615 S.W.3d 172, 202 (Tex. App.—Austin 2019, pet. denied)
- Covered Bridge Condo. Ass'n, Inc. v. Chambliss, 705 S.W.2d 211, 213-14 (Tex. App.—Houston [14th Dist.] 1985, writ ref'd n.r.e.)