

OWNERS ASSOCIATION

RULES AND PROCEDURES
RENTAL LIMITATION PROGRAM
February 1, 20xx Report

The _____ Owners Association has adopted a Rental Limitation Program by obtaining approval of 75% or more of our members and amending our Protective Restrictions (CC&Rs). The amendment was properly recorded by the Sonoma County Recorder on Month xx, 20xx. The adopted rules for administering the Rental Limitation are stated below. In accordance with the provisions of the Amendment, a copy of these rules must be provided to each current owner member once each year.

1. The Board of Governors on change of ownership of a unit and at least annually, shall determine and maintain records identifying the owners of all dwelling units in the Association. The record will show which units are rented. If the owner on the date of adoption of the Rental Limits is a trust, the Board shall determine the occupants of the unit at that time. These occupants shall be considered "the Owners" for applying the Rental Limitations. When such owners no longer occupy the unit, it shall be considered a change in ownership under Article III, Section 4(a) CC&Rs as amended (Month xx, 20xx, and the Rental Limitations will thereafter apply to that unit. Upon request by an owner of a unit in the Association, or any interested party, the Board shall inform them of the number of units currently rented, whether the Rental Limitation has been reached and, if not, the number of additional units that may be rented.
 - a. The result of this inventory will be recorded in the format provided as Atch #1. The completed format shows the percentage of the total units rented and the number of which this percentage is either under or over the desired total of 20%.
2. Owners who acquire property after adoption of Rental Limitation are required to apply to the Association Board of Governors prior to offering their property for rent by others. The Board may grant its consent only providing the number of existing rental units has not reached 20% of the total Association units unless the applicant can qualify for a hardship exemption as discussed below. The format for Application to Rent is provided as Atch #2. If any owner who was an owner resident at the time Rental Limitation was adopted subsequently decides to rent his unit, such owner cannot be denied the right to do so. Such owners, however, are required to complete the Application to Rent form so that the Board may count the rental among the total units rented. The form will be noted "Grandfather".
3. A Waiting List will be maintained of those owners who acquired property after adoption of Rental Limitation and are now awaiting permission to rent such units to others. The need for such a record occurs when the Board has declined permission (because the desired rental limit of 20% was already reached) when it received a request for permission to allow a unit to be rented. The list will be in the priority order of the dates requests were received. The format for this waiting list is provided in Atch #3.
4. The Rental Limit program allows for waiver of the limitation when hardship can be demonstrated by an owner who acquired property after adoption of Rental Limitations by

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the Association. To be granted the waiver, the owner should be required to demonstrate that the hardship was not foreseen prior to the date the property was acquired. Reliance must be placed on the judgment and integrity of the Board of Governors members. In these cases, it is not possible to anticipate every circumstance that might qualify. The Board must always consider its responsibility for fairness to both the applicant and to the other Association members. If approval is granted to rent because of hardship, explain the circumstances on the Application to Rent. See Atch #3.

_____ Board of Governors

Attachments #1,2,3

_____ OWNERS ASSOCIATION

APPLICATION TO RENT

Date: _____

Applicant: _____

Address of Property to be Rented: _____

Action by Board of Governors:

Board of Governors:

(Signatures of 2 Governors)

ATCH #2

_____ OWNERS ASSOCIATION

WAITING LIST FOR APPROVAL TO RENT

DATE: _____

| <u>DATE OF APPLICATION</u> | <u>OWNER NAME</u> | <u>PROPERTY TO BE RENTED</u> |
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ATCH #3