

Jefferson Square Homeowners Association

RENTAL POLICY

Adopted by the Board: April 25, 2016

PURPOSE OF THIS POLICY:

The purpose of the Rental Policy is to set forth general rules for the Homeowners of Jefferson Square to rent their units. This policy follows the CC&R's Article VII, Section 7.8 Right to Lease. Failure to comply with this Rental Policy will result in a hearing with the Board and monetary fine(s). Please refer to Section 7.8 Right to Lease (D) "Any violation of the Association's governing documents shall be a breach of the lease or rental agreement, allowing termination thereof by Owner or Board.

Guidelines:

- Owners will be deemed ineligible to be added to the rental list if they are more than two (2) months in arrears with their HOA dues.
- Owners that are currently on the rental list and are two (2) months in arrears will be removed from the rental list. Other Homeowners in good standing will be given priority to be added to the rental list.
- Owners, who fail to provide a current rental agreement, as per the CC&R's, will be subject to a hearing, monetary fine(s) and loss of rental rights.
- When two (2) requests to rent a unit are received by Management at the same time, the Homeowner that has held ownership in the property the longest at Jefferson Square will be added to the rental list.

Waiting List for Rental Units:

1. Once the number of rental units falls below the 30% threshold the HOA management firm will notify the Homeowner at the top of the waiting list within 30 days.
2. The Homeowner has 30 days to respond to the HOA management firm as to whether they plan to rent their unit or not.
3. The Homeowner has four options:
 - a. Reply that they will rent out their unit. Once they reply 'yes', the HOA management firm will inform them they are required to rent their unit out within 60 days. If they do not rent it in 60 days the Homeowner must request an extension from the Board or they will move to the end of the rental waiting list and lose their top place on the list. The Board has discretion whether to grant the extension, and if so, for how long.
 - b. Respond that they do not wish to rent their unit at this time, but would like to remain on the rental list. At which point they will be moved to the bottom of the list.
 - c. Respond that they no longer wish to rent their unit and then the HOA Management firm will remove them from the list.
 - d. If the HOA management firm receives no response within 30 days then the Homeowner will be removed from the list, unless the HOA management firm was notified previously from the homeowner that they will be out of contact for an extended period of time.
4. If any Homeowner falls out of good standing then they will be removed from the waiting list.
5. If a Homeowner is approved to rent, then the rental approval will remain with that Homeowner until they notify the Board that they no longer plan to rent their unit, the unit is sold or they fall out of good standing.

**FIRST RESTATED DECLARATION OF
CONDITIONS, COVENANTS AND RESTRICTIONS OF
JEFFERSON SQUARE HOMEOWNERS ASSOCIATION
A CONDOMINIUM PROJECT**

CC&R's Article VII, Section 7.8 Right to Lease

Owners shall be entitled to rent or lease their Unit provided that:

- (A) Not less than the entire unit is leased or rented.
- (B) The lease term is for a period of not less than thirty (30) days.
- (C) Any lease or occupancy agreement for a Unit shall be in writing and shall provide that it is subject to the covenants, conditions and restrictions, limitations and uses contained in this Declaration as well as the rules and regulations established by the Association. The Owner shall remain liable for any violation or infraction of this Declaration or such rules and regulations by the tenant. Owner shall file a fully conformed copy of the lease or rental agreement with the Board prior to occupancy.
- (D) Any violation of the Association's governing documents shall be a breach of the lease or rental agreement, allowing termination thereof by Owner or Board.
- (E) In the event an owner defaults in payment of Association dues, special assessments, or fees, the tenant shall make the monthly rental payments directly to the Association. The Association shall retain the delinquent amount and remit any remand to owner.
- (F) Any lease or renting of a unit will not result in a percentage of non-owner occupied units exceeding thirty percent (30%). The Board shall establish reasonable rules in order to fairly achieve compliance with this provision, including, but not limited to, a "grandfather" clause to commit the continuance of rental units already in existence at the Project at the time such rules are established.