

## The Ridge at Gig Harbor Homeowners Association

### Rental Policy and Regulations

**Effective: January 22, 2021**

In accordance with Article 3 Section 3.2 (a) of the Declaration of Covenants, Conditions and Restrictions: The Board may adopt, modify, cancel, limit, create exceptions to or expand the Use Restrictions, consistent with the law of the local jurisdiction.

In accordance with Article 3 Section 3.4 (c) of the Declaration of Covenants, Conditions and Restrictions: The Association shall have the power to limit rental of units.

Whereas the Board feels compelled to maintain an Owner-Occupied Residential Environment in order to maintain property values and aesthetics of such a small Community; and

Whereas financing for homes in communities with high rental ratios is difficult to obtain and may limit options to buyers; and

Whereas there may become a true need for an Owner to rent or lease their homes; and

Whereas there is a need to establish a process for Owners requesting approval to rent; now

THEREFORE BE IT RESOLVED:

- A. The Board has limited the total number of rental units in the community to ten percent (10%) of the total number of homes.**
- B. The Board will consider granting approval to rent to Owners with no compliance issues.**
- C. In accordance with Article 3 Section 3.4(c) of the Declaration of Covenants, Conditions and Restrictions: The Board restricts Occupants of Rental Homes to members of a single housekeeping unit described as up to 2 adults and their children. Multi-Family living situations shall not be permitted.**
- D. The Board establishes a \$100.00 Processing Fee payable by Unit Owners each time tenancy changes.**
- E. The Board will provide Written Approval to an Owner to Rent as Follows:**
  - 1. Requests:** Owners wishing to rent their homes shall submit a "Rental Request Form" to request approval to rent, **PRIOR TO LEASING or RENTING THEIR HOME.** If a rental request is submitted at a time when the 10% cap has already been reached, the owner will be placed on a waitlist and must wait until a space is available. **If you rent out your home without approval, you will not be allowed to go on the waitlist, and if you are on the waitlist, you will be removed permanently. You will also be subject to fines (See Fines Section Below).**
  - 2. Waitlist:** You may ask to be placed on the waitlist at any time. The order of the list will be based on the date you requested to be put on it. If a rental space opens up, we will call in order down the list. If you are not ready to rent when we call you, we will move you to the bottom of the list and offer the space to the next person.

3. **Approval Period:** Once Written Consent is granted to an Owner by the Board of Directors, the Owner shall have a ninety (90) day Approval Period within which to a) rent the Unit, b) secure a tenant, c) submit a "Rental Registration Form" (attached) and d) pay a \$100.00 Processing Fee to the Association. If Owners have difficulty securing Tenants, Owners may be granted a limited 30-day extension if requested in writing *before the expiration of the approval period. If you decide not to rent out the home after the 90 days has expired, the \$100.00 processing fee is non-refundable.*
4. **Approved Rental Units:** Once steps 1 & 3 are completed in compliance with the Association's rental restrictions, the home itself becomes an "Approved Rental Unit" until the Owner moves back into the home, a Relative moves to the home and is registered with the Association using the *Rental Registration Form* or the home is sold. **Rental approval is not granted to any Purchaser. If an owner or family moves back into the home, the rental approval is no longer valid, and you must notify the Board. If you wish to rent out the home in the future, you must reapply by submitting a new rental request.**
5. **Tenancy Changes:** Owners shall report to the Association any renewals of existing lease agreements, report vacancies and report any change in tenancy by submitting the Rental Registration Form. "Tenancy Changes" include adult occupants (moving in or out), adult relatives (moving in or out) or total change of household. Family moves out or in. The **\$100.00 Processing Fee** is collected to absorb the additional administrative charges associated with updating resident information and databases.
6. **Relatives:** Any occupant not on title or deed shall be registered with the Association using the Rental Registration Form with the Relative Section completed. Approval from the Board is not necessary, but they must be registered prior to occupancy to be in compliance. Changes in tenancy are subject to the **\$100.00 Processing Fee**. Changes shall be reported as described above.
7. **Landscaping:** Owners must ensure that the landscaping is well maintained while being rented. It is advisable for Owners to hire a landscape maintenance service while home is rented. Failure to maintain landscaping after notice of such may result in the Association hiring services at the Owner's expense.
8. **Assessments:** Owners are solely responsible for payment of their monthly assessments and any special assessments until Conveyance to a new Owner. Delinquent assessment payments may result in rent being paid to the Association.
9. **Fines:**
  - a. **Non-Approved Rentals:** If tenancy is discovered at a residence that has not been approved by the Association, the owner will be subject to an immediate \$800.00 fine, followed by a \$200.00 weekly fine, until compliance is met. Owner must cease renting out the unit immediately or as soon as the current lease has expired. A \$200.00 weekly fine will be assessed until such lease expires. **Failure to pay assessed fines will result in a lien placed against said unit with the possibility of foreclosure.**

- b. Change in Tenants:** If tenancy of an approved rental changes without notification to the Association and payment of the \$100.00 processing fee, the owner will be subject to an immediate weekly fine of \$100.00 until compliance is met. **Failure to pay assessed fines will result in a lien placed on said unit with the possibility of foreclosure.**
  - c.** Discovery of a or b may include reports by previous tenants, returned mail sent to the tenants, verification by phone, email, in person or any other means
  - d.** Owners are given an opportunity to be heard before fines will be collected. Appeals may be considered through scheduling a due process hearing or by written appeal to the Board.
- F. Military Rentals:** Military Rentals do not count toward the 10% rental cap. If you are active duty military, please provide the board with Permanent Change of Station Orders to confirm proof of Federal Law protection for military property ownership/rental. For further information see Federal Guidelines. Please fill out a rental request form **before** renting out your residence. You must first receive written verification from the Board.

**This Policy was adopted by the Board of Directors on January 22, 2021 and shall be effective January 22, 2021.**

Board Approval:

Signed (President): \_\_\_\_\_

Signed (Vice President): \_\_\_\_\_

Signed (Treasurer): \_\_\_\_\_

Signed (Secretary): \_\_\_\_\_