

**GRIZZLY RANCH ASSOCIATION
Rules for Leasing and Renting of Lots**

Revised 8/6/2021

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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Pursuant to Sections 4.5.1 and 5.5 of the *First Restated Declaration of Covenants, Conditions and Restrictions for Grizzly Ranch* (the "CC&Rs" or "Declaration"), the Board has the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as "Rules", as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to rental or leasing of Lots (references to Lots includes the Residence thereon.)

Purpose and Findings

The Board has determined that it is in the best interest of the Association to regulate rentals within the Association, and prohibit rentals of less than thirty (30) days. The Board finds that transient occupancy uses in the Association require further restriction to protect the residential nature of the development. Further, the Board finds that to protect the value of the owners' properties, preserve the character of the Association as an owner-occupied residential community, limit damage and safety issues related to use of the Common Area, and prevent the Association from assuming the character of a short-term renter-occupied community, the rental of Lots shall be subject to the restrictions in accordance with the provisions of these Rules and shall be subject to all enforcement rights of the Association as provided for in the Governing Documents, particularly Article 10 of the CC&Rs.

Pursuant to Section 4.5.2 of the CC&Rs, "Any Residence or Residences that have been organized with the approval of the Declarant as a "time-share project" (as that term is defined in Business & Professions Code §11003.5) and any golf cabin-style Residences (as so designated in a Declaration of Annexation or Supplemental Declaration) shall not be subject to the minimum lease term requirements set forth above or the requirement that a written lease or rental agreement be in effect. In addition, see Section 4.1.3, above." The lots referenced in this provision are formerly known as the "Wolf Tree Cabins", and are located at 115 Clubhouse Drive, 142 Clubhouse Drive, and 156 Clubhouse Drive.

Unless the context indicates otherwise, capitalized terms used herein shall have the same meaning as defined in the CC&Rs.

Application of Rules

1.1 Application of Rules; Leasing and/or Renting. Except as noted in Section 2.1, these Rules apply to all rentals or leases of Lots (references to Lots includes the Residence thereon). Owners may delegate, in accordance with the Governing Documents, their right to use and enjoy the Common Area to an Owner's tenants who reside on the Owners' Lot, provided any rental or lease of the Owners' Lot is for residential purpose only and in compliance with these Rules. It is the intent of these Rules to protect, enhance and maintain the single-family residential atmosphere which exists within the Development.

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2.1 Minimum Lease Term. All rentals or leases of Lots shall be for a minimum period of thirty (30) days, except as provided for in Section 4.5.2 of the CC&Rs, as referenced above. This provision takes effect on January 1, 2021.

2.2 Time Sharing, Club Rentals, or Other Short-Term Rentals. Except as provided for in Section 4.5.2 of the CC&Rs, as referenced above, no Lot, or any portion thereof in the Development shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time-sharing agreement, plan, program, or arrangement, including, without limitation, any so called "vacation license," "travel club," "extended vacation," "peer-to-peer online marketplace," "homestay network" or other system or time-interval arrangement. The term "time-sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess any Lot or any portion thereof in the Development rotates among various persons, either corporate, partnership, individual, or otherwise for value exchanged, whether monetary or like-kind-use privileges, per a fixed or floating interval or period.

2.3 Subject to the Governing Documents. Any rental or lease of a Lot shall be subject to the provisions of the Governing Documents, each of which shall be deemed to be incorporated by reference in the rental or lease agreement. Each Owner shall provide any tenant or lessee with a current copy of the summary of important rules, as will be provided by the Association's managing agent, and shall be responsible for compliance of the Owner's tenant or lessee with the Governing Documents during the tenant's or lessee's occupancy and use of the Lot.

The Owner must provide the Association with a written document signed by the tenant acknowledging the tenant has received a copy of the summary of important rules (as provided by the managing agent), agrees to comply with them, and acknowledging that fines may be imposed against the Owner for violations.

2.4 Contact Information. Each Owner who rents or leases his or her Lot shall provide the Association with the contact information for persons who will occupy the Lot. This contact information shall include the names, address, phone numbers and email addresses of each occupant; the physical address of the Lot being rented; the name and contact information (including phone number) for the rental manager; the Owner's mailing address, email address, and a phone number where the Owner can be reached at all times; and the start and end date for the lease. The Association will provide a form containing this information, including the tenants' acknowledgment of receipt of the summary of important rules.

2.5 Owner Responsibility. Each Owner who leases or rents his or her Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant in or about the Lots, or Common Area and for their tenant's compliance with the provisions of all Association Governing Documents.

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The Owner must be available to receive calls and address nuisances within forty-five (45) minutes of receiving a call from the Association.

2.6 Indemnification of Association. Every Owner of a Lot that is occupied by persons other than the Owner pursuant to a lease or otherwise, agrees to and shall indemnify and defend the Association, its officers, Directors, and agents and shall hold them harmless from any cost, loss, claim, or damages of any kind, including but not limited to attorneys' fees arising out of the conduct or presence of the occupants of the Lot, including any such arising or alleged to have arisen out of the enforcement or nonenforcement by the Association of the Governing Documents against such occupants. Without limiting the generality of the foregoing, all costs, including attorneys' fees incurred by the Association to enforce the Governing Documents against such occupants shall be reimbursed to the Association by the Owner, who may be assessed by the Association as a Reimbursement Assessment.

2.7 Rental Fees. Each Owner who leases or rents his or her Lot shall pay an annual rental fee of \$500. Such payment shall be made to the Association by January 1 of each year. A failure to pay such fee by the end of January shall subject the Owner to disciplinary action.

2.8 Rental Registration. Each Owner who leases or rents his or her Lot shall register with the County and obtain a Transitory Occupancy Permit, and shall provide proof of the same to the Association by January 1 of each year.

2.9 Compliance Process. When the Association receives a complaint about or identifies a violation of this rule the Association will investigate as the initial step in the compliance process. The following is a general guideline on how enforcement will proceed, including the fines that may be levied by the Association.

Step 1. A warning notice will be issued to the Owner and/or tenant informing them that they are in violation of the rule prohibiting short-term rentals or leases, or in violation of any other provision of these Rules. They will be given 10-days to take the appropriate steps to correct the violation. In the case of a prohibited short-term rental, this means the Owner will immediately stop the short-term rental and remove any advertisement for such an activity.

Step 2. If the violation continues, the Association will provide notice to the Owner of a disciplinary meeting, which will be delivered to the violating Owner. In the case of prohibited short-term rentals, the fines for violation of this rule will begin at 200% of the listed advertisement rate and go up to 400% as determined by the Board of Directors. For ads that do not have a listed rental price, fines range from \$ 500.00 to \$ 1,500.00, as determined by the Board of Directors. For other violations by tenants, the fines will be based upon the Association's general schedule of fines for violations.

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Step 3. If the violation continues the Association may exercise its enforcement rights under the Governing Documents and California law.

For nuisance violations, such as loud parties, the Association may contact the Owner by phone and the Owner shall address the issue within forty-five (45) minutes. The Owner may still be subject to further disciplinary measures even if the issue is resolved within this time period.

CERTIFICATE OF SECRETARY

I hereby certify that I am the President of the Association and that the foregoing rules are a true copy of the rules approved by the Board at its meeting held on August 6, 2021, at which a quorum of the Directors was present. I further certify that the foregoing rules are in full force and effect; that the same have not been rescinded, nor has it been amended or modified.

Dated: August 6, 2020

By: _____
_____, President