

3 CHERRY WAY HOME RENTAL/LEASE POLICY AND PROCEDURE

1.0 Purpose

The purpose of this policy and procedure is to describe the 3 Cherry Way Homeowners Association home rental process. The process covers all matters for which a home in the 3 Cherry Way Community may be rented in accordance with 3 Cherry Way Homeowners Association governing documents.

2.0 Revision History

A:

3.0 Persons Affected

This policy impacts all 3 Cherry Way Homeowners Association Members as described in Article 2, Section 2-1 of the Association Bylaws.

4.0 Policy

The 3 Cherry Way Association rental policy establishes the process for an Association member to rent or lease their home within the 3 Cherry Way Community.

5.0 Definitions

Refer to Association Governing Documents, Declaration and Bylaws, for definitions of terms used if not identified in this policy and procedure.

Master Association Member List	A roster of Owners, who are owners of a fee simple title, or a trustee of a trust titled to any Lot in the 3 Cherry Way community.
Non-Rental Unit	A Dwelling Unit shall not be deemed a Rental Unit if the Occupant is not the Owner, and does not pay any rent, compensation, or other consideration to the Owner, either directly or indirectly, in exchange for occupancy. By way of example, occupancy by a parent, sibling, or other family member without compensation shall not be considered a Rental Unit.
Rental Unit	A Dwelling Unit shall be deemed a Rental Unit if the Occupant is not the Owner and occupies the Unit pursuant to a lease, rental agreement, or other arrangement involving the payment of rent or any other form of consideration to the Owner or any agent or affiliate of the Owner. All such Units shall be counted toward the maximum number of Rental Units permitted within 3 Cherry Way. The number of Rental Units within 3 Cherry Way shall not exceed ten percent (10%) of the total number of Dwelling Units, which is presently twenty (20) Units.
Titled Owner	Owner(s) or entity listed on the title of the lot.

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6.0 Responsibilities

It is the responsibility of the Board of Directors or assignees to maintain the integrity of the Master Association Member List.

It is the responsibility of the home owner to complete all necessary paperwork and follow all Association governing documents regarding the rental/lease of a home.

7.0 Procedure

1. CONTACT THE HOA BOARD OF DIRECTORS

The homeowner shall complete a request to rent/lease home form (Attachment A) and provide it to a representative of the Association Board of Directors to establish their intent to rent or lease their home in accordance with Article 8, Section 8-5 of the Association Bylaws.

2. ELIGIBILITY TO RENT/LEASE HOME

In accordance with Article 8, Section 8-5 of the Association Bylaws, the home to be rented/leased must not cause the Association to exceed the maximum number of homes permitted to be rented/leased within the community. The number of Rental Units within 3 Cherry Way shall not exceed ten percent (10%) of the total number of Dwelling Units, which is presently twenty (20) Units.

3. HUD COMPLIANCE REQUIREMENTS

The HUD compliance record, which regulates resales and rentals as set forth in the Declaration, the Federal Housing for Older Persons Act, and North Carolina state laws, must be on file with the Association for each lot. The Association document entitled "Age Verification Form" shall serve as the HUD compliance record.

4. ASSOCIATION BOARD APPROVAL

All lease contracts must be approved by the Board of Directors prior to Owner / Lessee commencement to demonstrate compliance as set forth in Article X, Section 10.07 of the Declaration. After the lease is signed, the homeowner shall submit a copy of the lease to the Association Board of Directors.

5. ASSOCIATION BOARD DENIAL

A Request to Rent/Lease Home application may be denied by the Board of Directors.

Requests for Rental/Lease may be denied for the following reasons:

- a. The number of rentals in the community exceeds or would exceed the allowable number of rentals/leases per the Association Bylaws.

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- b. The individual renting/leasing the home does not meet Association rules for a 55 plus community.
- c. The rental period does not meet 3 Cherry Way's lease restriction as outlined in Section 10.7 of the Declaration.

Approval or denial of a rental/lease application must be signed by a member of the Association Board.

6. CONTESTING A BOARD DENIAL

The homeowner may request mediation of board denial of rental/lease by submitting a Request for Mediation form (Attachment B).

The 3CW HOA Board of Directors will assign the HOA Management company to facilitate the mediation process. The company will establish a Mediation Panel consisting of two (2) to three (3) members. The Mediation Panel will meet with the Board of Directors and the homeowner(s) separately to hear discussions pertaining to the disagreement between the 2 parties.

The Mediation Panel will then review the discussions and render a decision pertaining to the rental/lease disagreement (Attachment C).

Should either party not accept the Mediation Panel decision the next step will involve legal options.

7. GOVERNING DOCUMENTS

Homeowners are fully responsible for their tenant's total compliance with 3 Cherry Way's governing documents.

8. NON-RENTAL UNIT

All such Units shall not be counted toward the maximum number of Rental Units permitted within 3 Cherry Way. The number of Rental Units within 3 Cherry Way shall not exceed ten percent (10%) of the total number of Dwelling Units, which is presently twenty (20) Units.

8.0 Fees and Fines

1. Failure to provide information to the 3 Cherry Way HOA Board of Directors prior to renting/leasing a home, or non-compliance with this policy and procedure may result in owner fees and fines, and loss of Association Membership amenities per the Violation Compliance and Enforcement Policy BOD 2023-001.

**Attachment A
Rental/Lease Application**

REQUEST TO ENTER THE RENTAL/LEASE PROGRAM

I (we) _____, owner(s) of _____
(Name of 3CW Property Owners) (3CW Property Address)

Being a Member(s) in good standing of the 3CW Homeowners Association, do hereby notify the Association Board of our intent to rent/lease our home.

IN WITNESS WHEREOF, the undersigned has (have) executed this document and presents to the 3CW HOA representative agent for verification this _____ day of _____, 20____.
(Day) (Month) (Year)

ALL PROPERTY OWNERS OF RECORD MUST SIGN. PRINT YOUR NAME EXACTLY AS IT APPEARS ON YOUR OWNERSHIP DOCUMENTS.

Phone#:

(Owner's Printed Name)

(Owner's Signature)

Phone#:

(Owner's Printed Name)

(Owner's Signature)

Verification of 3CW Homeowners Association Members in good standing:

(Signature and Title of 3CW HOA Officer) (Date)

Approval/Disapproval of Rental/Lease:

Approve Disapprove

(Signature and Title of 3CW HOA Officer) (Date)

Board reason for disapproval:

**Attachment B
Mediation Request**

MEDIATION REQUEST:

I (we) _____, owner(s) of _____
(Name of 3CW Property Owners) (3CW Property Address)

Being a Member(s) in good standing of the 3CW Homeowners Association, do hereby notify the Association Board of our request for mediation on the denial of entering the rental/lease program.

IN WITNESS WHEREOF, the undersigned has (have) executed this document and presents to the 3CW HOA representative agent for verification this _____ day of _____, 20____.
(Day) (Month) (Year)

ALL PROPERTY OWNERS OF RECORD MUST SIGN. PRINT YOUR NAME EXACTLY AS IT APPEARS ON YOUR OWNERSHIP DOCUMENTS.

Phone#:

(Owner's Printed Name)

(Owner's Signature)

Phone#:

(Owner's Printed Name)

(Owner's Signature)

3CW HOA Verification of 3CW Homeowners Mediation Request:

(Signature and Title of 3CW HOA Officer)

(Date)

**Attachment C
Mediation Panel Decision**

MEDIATION PANEL AND DECISION

Panel Members:

Phone#:

(Panel Member #1 Printed Name)

(Panel Member #1 Signature) (Date)

Phone#:

(Panel Member #2 Printed Name)

(Panel Member #2 Signature) (Date)

Phone#:

(Panel Member #3 Printed Name)

(Panel Member #3 Signature) (Date)

Mediation Panel Decision:

Agree with board decision: _____

Disagree with board decision: _____

Reasons:

Board Acceptance: _____
(Print Name) (Signature) (Date)

Homeowner Acceptance: _____
(Print Name) (Signature) (Date)