REDLANDS 360 HOMEOWNERS ASSOCIATION, INC.

PROPOSED LEASING AND MINIMUM LEASE TERM POLICY

Proposed Section 10 of the Policies, Procedures, Rules and Regulations

10. Leasing and Minimum Lease Term

a. Policy: The Declaration permits Owners to lease their Units subject to the requirements of the Governing Documents. Section 7.3(f) of the Declaration expressly authorizes the Association, through community regulations, to establish a minimum lease term of up to twelve (12) months. The Association should exercise its power under the Declaration to regulate minimum lease terms in order to preserve the residential character of the Community, promote residential stability, facilitate compliance with the Governing Documents, and protect the quiet use and enjoyment of the Community by Owners and residents. Nothing in this Policy prohibits leasing of Units. Rather, this Policy establishes a reasonable minimum lease term as expressly authorized by the Declaration.

b. Procedure:

i. Minimum Lease Term. No Unit, or any portion of a Unit, may be leased, rented, licensed, or otherwise made available to any Person, other than the Owner of the Unit, for occupancy in exchange for any financial consideration or other benefit (any such arrangement, a "Lease") for a period of thirty (30) consecutive days or less. Any Lease shall provide for an initial occupancy term of at least thirty-one (31) consecutive calendar days (the "Minimum Term").

ii. Advertising and Offering of Units. No Owner shall advertise, list, offer, or otherwise make a Unit or any portion thereof available for Lease for less than the Minimum Term, whether directly or through an online rental platform, property manager, rental agent, website, or other intermediary.

iii. No Circumvention. An Owner shall not enter into consecutive, overlapping, nominal, or other rental, lease, license, or occupancy arrangements having the purpose or practical effect of providing a Lease for a period shorter than the Minimum Term. The actual nature and duration of the occupancy arrangement, rather than the name or form given to the arrangement, shall determine compliance with this Policy.

iv. Written Lease and Compliance with Governing Documents. All Leases shall be in writing and shall comply with Section 7.1(b) of the Declaration. Each Lease shall provide that the tenant and all occupants of the Unit are subject to and obligated to comply with the Governing Documents. The Governing Documents shall apply to tenants and occupants regardless of whether the Lease expressly incorporates such requirements.

v. Notice and Lease Information. For any Lease subject to the notice requirements of Section 7.1(b) of the Declaration, the Owner shall notify the Board or the Association's managing agent of the Lease and shall provide such information regarding the Lease and occupants as the Board may reasonably require pursuant to the Declaration. Notification should occur within seven (7) business days after execution of the lease.

vi. Owner Responsibility. Leasing a Unit shall not relieve an Owner of any obligation under the Governing Documents. Each Owner shall remain responsible for compliance with the Governing Documents by the Owner's tenants, occupants, guests, and invitees to the extent provided by the Declaration and applicable law.

vii. Existing Reservations. Notwithstanding the foregoing, a rental or occupancy reservation for a period otherwise prohibited by this Policy that was entered into before the date this Policy was adopted may be completed according to its existing terms, provided that the Owner, upon request of the Association, provides reasonable documentation establishing that the reservation was entered into before adoption of this Policy. No new Lease for a term less than the Minimum Term shall be entered into after the date of adoption of this Policy.

viii. Compliance with Governmental Requirements. Nothing in this Policy authorizes any Lease that is prohibited by or fails to comply with applicable governmental zoning, licensing, permitting, taxation, occupancy, or other requirements.

ix. Enforcement. A violation of this Policy constitutes a violation of the Governing Documents and shall be subject to the Association's Covenant and Rule Enforcement Policy and the remedies available under the Declaration and applicable law.

x. Conflict with Declaration. This Policy is intended to implement the leasing provisions of the Declaration and not to amend them. In the event of a conflict between this Policy and the Declaration, the Declaration shall control.

xi. Effective Date. This Policy shall become effective in accordance with the applicable notice, adoption, and effective-date provisions of the Declaration and the Association's Policies, Procedures, Rules and Regulations.

Adopted by the Board of Directors on: _____

Secretary: _____