

RENTAL/LEASING INFORMATION

February 28, 2018

RULE REGARDING RIGHT TO LEASE OR RENT:

The HOA consists of 44 units. No more than 40% of the units (i.e., **18 units**) shall be leased/rented at any time. If the number of units currently leased/rented has reached 18, owners shall not be allowed to lease/rent their units. Owners may request in writing to have their names placed on the "Permission to Lease Waiting List". When an owner's name reaches the top of the list, that owner shall be notified in writing and shall be allowed to lease/rent the unit. This rule goes into effect on February 1, 2018.

PLEASE NOTE: The right to lease/rent is determined by owner purchase date. This rule is not applicable to any owners who purchased their units prior to February 1, 2018. Those owners may lease/rent their unit even if the 40% has already been reached since this rule was not in place at the time of purchase. **Owners must disclose this restriction to any potential buyers.**

CC&R REGARDING RIGHT TO LEASE OR RENT:

Section 5.1(b) of the CC&Rs states that "Nothing in this Declaration shall prevent an Owner from leasing or renting his or her Unit as a private residence, provided that it is not for transient or hotel purposes, is for a period of **at least ninety (90) days**, and is subject in all respects to the provision of this Declaration, the Articles, the Bylaws and the Association Rules."

RANCHO PALOS VERDES CITY ORDINANCE:

On December 20, 2016, the City Council affirmed that short-term rentals defined as residential rentals of 30 days or fewer, is prohibited use with the City's Single-Family and Multi-Family Residential zoning districts. That same evening the City Council adopted Ordinance No. 592U, which codified a prohibition on advertising of short term rentals. This Ordinance states that no property owner or tenant shall post, publish, circulate, broadcast or maintain any advertisement of a short-term rental in any of the City's Single-Family or multi-Family residential districts. Therefore, all short-term rentals and advertisements of short-term rentals in any of the City's Single-Family or Multi-Family zoning districts must cease.

Violators of the rental or advertisement prohibition are subject to an Administrative Citation in the amount of \$2,500 for the first violation, \$5,000 for the second violation, and \$7,500 for the third and subsequent violations. Each day of operation or advertising of a short-term rental constitutes a new violation.

The information regarding the City Council's actions was published in the City of Rancho Palos Verdes Official Newsletter, Spring 2017. Subsequently the HOA Board of Directors confirmed with the city that Peacock Ridge is zoned RM-22 (Multi-Family). Therefore, this prohibition applies to this property.