

**BRENTWOOD FOREST CONDOMINIUM ASSOCIATION  
RULES, REGULATIONS AND GUIDELINES  
REGARDING THE RENTAL CAP UNDER BFCA DECLARATION AND BYLAWS SEC 24.7**

The following Rules, Regulations and Guidelines ("Regulations") shall be in force during any period that a limitation on rentals of condominium units is imposed under an amendment adopted July 16, 2012, recorded in Book 20082, page 2712 of the St Louis County Recorder of Deeds, and denominated Section 24.7 to the Declaration and Bylaws of the Brentwood Forest Condominium Association ("BFCA" or the "Association"). That Section shall be referred to hereinafter as "Section 24.7." The limitations on existing and future unit rentals contained in Section 24.7 shall be referred to as the "Rental Cap."

As authorized by Section 17.13 and Section 24.7(H) of the Declaration and Bylaws, these Regulations are adopted by the Board of Managers ("Board") of BFCA for the purpose of further defining, clarifying and supplementing the provisions of Section 24.7. Certain sections identified in these Regulations shall remain in effect even when the Rental Cap is not in effect (e.g. Sections 3c and 3e).

A condominium dwelling in Brentwood Forest shall be referred to herein as a "Unit." "Unit Owner(s)" shall refer to the owner(s) of record of a particular Unit as identified in the records of the St. Louis County Recorder of Deeds.

A person whose place of residence is the Unit, as determined by the actual proportion of time (measured by days, weeks, months, as appropriate) spent dwelling in the Unit as opposed to any other residence, shall be referred to as an "Occupant(s)." A person who spends more than two full months within a calendar year in a Unit, shall be presumed an "Occupant." The Association may look at factors such as the presence of a vehicle driven by the person(s) in question, the mailing and voting address of the person(s), and other relevant information to determine "Occupancy" (or "Occupied" status) if the Association has no direct proof of the number of nights spent in the Unit.

**1. Limitation of Rentals When the Rental Cap is in Effect**

**A) Who May Rent When the Rental Cap is in Effect?**

When the Rental Cap is in effect under Section 24.7, a Unit Owner already renting when the Rental Cap is imposed may thereafter continue to rent to the same tenant for successive terms, or to a new tenant when a vacancy occurs, so long as the Unit Owner notifies the BFCA office of the existence of a vacancy within 15 days of its occurrence and the new rental commences within 90 days of the vacancy. When the Rental Cap is in effect, a Unit Owner who was not renting when the Rental Cap was imposed but who wishes to do so afterward shall be entitled to do so under the procedures set forth in Section 1C below.

**B) Cushion to Insure Rentals Do Not Exceed Rental Cap: What is the Maximum Number of Units that Can Be Rented At One Time?**

To ensure that the total number of Units rented does not exceed 49% of all Units at BFCA at any time, if 47% of the Units (670 total Units) are rented, no further Units will be approved for rental. This gives the Board a sufficient cushion to ensure that 49% will not be exceeded even if the Association discovers that additional Units have been rented without Association approval, or discovers that there are errors in the Association's records regarding the Rental Cap.

**C) Rental Procedures For Unit Owner(s) at Top of Waiting List: How Does the Rental Waiting List Work?**

Section 24.7 creates a Rental Cap Waiting List (the "Waiting List") to prioritize future rental rights for certain Unit Owners. If, at any time that the Rental Cap is in effect, less than 47% of the total Units (670 Units) are rented based on the Association's records, the Unit Owner at the top of the Waiting List shall have 30 days from the date of notification under Section 5B below to procure a tenant and return the BFCA rental packet to the Association with all fees paid. If the Unit Owner fails to procure a tenant and submit a substantially complete rental packet during these 30 days, Rental Rights will expire for the first Unit Owner on the Waiting List. The rental opportunity, subject to the foregoing procedures, shall then be transferred to the next Unit Owner on the Waiting List upon notification to such Unit Owner by the Association.

When the Unit Owner completes the rental registration process, the beginning of the rental period for any new Tenant(s) must start within 30 days after submitting the rental registration packet to the Association, or the first day of the succeeding calendar month, whichever is later.

**D) Expiration/Continuation of Rental Rights for Unit Owners at Top of Waiting List: Can I Continue Leasing My Unit When My Tenant's Lease Ends?**

In the event a Tenant is procured in compliance with Section 1C above, and commences and completes the tenancy, the Unit Owner shall have the right to renew or extend the tenancy of the approved Tenant. Additionally, when that Tenant vacates the Unit the Unit Owner shall have the right to procure a new tenant so long as the Unit Owner meets the 15-day notice and 90-day vacancy requirements of the Rental Cap. The Unit Owner's right thereafter to engage in subsequent rentals shall remain in effect so long as the Unit Owner complies with the vacancy requirements and other requirements set forth herein.

**2. What Constitutes a Rental Unit: How Does BFCA Define a Rental Unit?**

**A) The Case Where Rent Payments Are Made**

A Unit shall be considered a Rental Unit if any Occupant thereof, except for Occupants exempted under Section 3 below, pays rent or makes other payments in consideration of Occupancy, whether such payments are made directly or indirectly through one or more third parties to the Unit Owner. Such Occupants shall be referred to herein as "Tenants." The payment of utilities alone by an Occupant shall not constitute payment of rent so long as no sums are paid to the Unit Owner.

**B) The Case Where No Unit Owner is in Occupancy**

Where a Unit Owner does not reside in the Unit and it is Occupied by a rent paying Occupant not specifically exempt under Section 3 below, it shall be deemed a Rental Unit. If another Occupant cohabits a Unit with a Unit Owner who resides in the Unit as a primary residence, this fact does not render it a Rental Unit, even if the other Occupant(s) pay the Unit Owner sums in consideration for such Occupancy. Any Unit which is determined by the Association to be Occupied by a Unit Owner under Sections 3 C or 3 E below shall not be classified as a Rental Unit.

**3. Unit Owner Occupied Units: How Does BFCA Define a Unit Owner Occupied Unit?**

**A) The Case Where a Unit Owner Physically Occupies Unit**

Any Unit where a Unit Owner physically Occupies the Unit shall be considered and denominated herein as "Unit Owner Occupied" and "Unit Owner Occupancy." In the event a non-family member is also an Occupant of the Unit, the Association shall have the right to verify that it is the Unit Owner's primary residence by requiring documentation that the Unit is shown as the home address of the Unit Owner on a driver's license, voting registration, mailing address, or other appropriate document. As long as there is no Occupant other than the Unit Owner, or a qualifying family member as set forth in 3B below, there is no requirement that the Unit Owner use the Unit as a primary residence.

**B) Family Occupancy Prior to July 23, 2012**

If a Unit is not Occupied by a Unit Owner but is occupied by a spouse, parent, parent-in-law, grandparent or child (hereinafter a "Family Member") of a Unit Owner prior to July 23, 2012, such Occupancy is presumed to be Unit Owner Occupied. No Unit Owner or Occupant is required to submit information to be placed in such category.

**C) Family Occupancy After July 23, 2012**

If Occupancy by a Family Member without Occupancy of the Unit Owner occurs after July 23, 2012, there is no presumption that such Family Member Occupancy arrangement constitutes a Unit Owner Occupied Unit. Under these circumstances a Unit Owner may seek designation of his or her Unit as Unit Owner Occupied, but the Unit Owner and all Occupants

must establish (by notarized affidavit and any other suitable evidence) that no payment of rent is being made directly or indirectly on behalf of any Occupant to the Unit Owner in consideration of such Occupancy.

Before such Occupancy may take place, the Unit Owner and all Occupants shall be required to submit notarized affidavits signed by all Occupants and Unit Owners attesting to the Unit's Occupancy, the familial relationship, and that no rent is being paid by any Occupant or third party directly or indirectly to the Unit Owner. The Association shall have the right to require the Unit Owner to submit satisfactory evidence establishing the familial relationship and the absence of a residential rental relationship.

If the Unit Owner is a trust (or other family-owned organization or corporation), at least one Occupant of the Unit must be a grantor or a beneficiary of the trust, and must be a Family Member of the grantor, as defined in Section 3B above, of one of the grantors, or must be the grantor himself or herself. No rent or other payment may be made directly or indirectly by any such Occupant to the trust or any grantor in consideration of such Occupancy.

The Association shall determine within 30 days after receiving the affidavit described above, and other evidence that may be reasonably requested, whether such declared Occupancy qualifies the Unit as Unit Owner Occupied.

**D) Contract-for- Deed Arrangements Prior to July 23, 2012**

If the Unit is not occupied by a Unit Owner but is occupied by a person with a lease with option to purchase, lease purchase, or some other contract for deed arrangement (hereinafter jointly referred to as "Contract for Deed") executed prior to July 23, 2012, such Occupancy is presumed to be Unit Owner Occupied. (Individuals with such an Occupancy interest shall be referred to as "Option Holders.") No Unit Owner or Option Holder is required to submit information to the Association to be placed in such category.

**E) Contract for Deed After July 23, 2012**

If a Unit is not occupied by a Unit Owner but rather is to be occupied by an Option Holder based on a Contract for Deed executed after July 23, 2012, and such arrangement does not appear to be primarily a rental arrangement, the Unit Owner may seek designation of his or her Unit as Owner Occupied. There is no presumption that such an arrangement constitutes Unit Owner Occupancy.

The Unit Owner and all Occupants may request the Association to determine that such arrangement is for the primary purpose of purchasing the Unit and not to evade the Rental Cap. To qualify, the Unit Owner and proposed or actual Option Holders must establish that the Option Holders are bonafied purchasers and not merely Tenants. Factors to be considered include: (1) How much of what is paid toward the purchase price at the beginning

and during the term of the agreement is non-refundable if the agreement is terminated; (2) whether ownership rights and duties are transferred to the Option Holders at the time of Occupancy, including Association voting rights, notice rights, and recreational rights, and the duty to pay condominium fees; (3) whether there is a date certain specified by which the purchase must be consummated; and (4) whether the agreement was executed at the time the Rental Cap was in effect.

Assigning the duty to pay condominium fees to an Option Holder under a Contract for Deed does not relieve the Unit Owner of the legal duty to pay condominium fees if the Option Holder fails to do so.

The Unit Owner and Option Holder must submit the agreement, with all the seller's and purchaser's forms and transfer fees, and receive Association approval prior to Occupancy. As part of such submission, the parties shall be required to provide a notarized affidavit and any other suitable evidence setting forth facts evidencing that the agreement is a bonafied sale and not effectively and by intent a rental agreement.

The Association shall determine within 30 days after receiving all required information whether the arrangement qualifies for Unit Owner Occupied status and inform the Unit Owner whether the Occupancy is approved as such. If any such qualifying agreement with an Option Holder is terminated or completed, the Unit in question shall have no future rental rights while the Rental Cap is in effect. The Unit Owner may seek to acquire such rights by applying for placement on the Waiting List, but only after the agreement is terminated or completed.

**F) Contract for Deed and Family Determination Shall Continue After Rental Cap**

Sections 3C and 3E above, shall remain in full force and effect at all times, even when no Rental Cap is in effect, because of the Association's continuing responsibility to classify all Units for future Rental Cap determinations. In furtherance of this responsibility, the Association shall maintain a list of Rental Units and a list of Owner Occupied Units at all times.

**4. 90 Day Vacancy Period Limitation For Unit Owners Holding Rental Rights: How Long Do I Have to Re Rent My Unit After My Tenant Vacates?**

The starting and ending points of the 90-day vacancy period under Sect. 24.7(D) of the BFCB Declaration and Bylaws, as well as other requirements of the vacancy period are set forth below.

**A) End of Tenant Occupancy and Start of 90-Day Vacancy Period: When Does the 90 Day Vacancy Period Start?**

The start of the 90-day maximum vacancy period for the continuation of Rental Rights shall be the date on which the last of any Tenants vacates a Unit, and this shall be the date on which the Unit Owner first learns, or should have reasonably learned, that the Tenants

no longer physically occupy the Unit and no rent is being paid for any period beyond such date. This shall also be the date for the giving of the 15-day notice of vacancy required by the Rental Cap as more fully described below.

If a Tenant or Tenants physically vacates a Unit prior to the last date for which rent has been paid, the end of the Occupancy shall be the last date for which rent is paid. If a Tenant is no longer spending time at the Unit but leaves belongings behind or fails to fulfill other rental requirements such as failure to pay rent, clean up or repair the Unit, such failures shall not extend the beginning of the 90 day vacancy period unless rent has been paid for such period.

The Association shall have the right to rely on the date that any utility has been transferred out of the Tenant's name as the beginning date of the 90-day vacancy period, or such earlier date that the Association can establish, unless the Unit Owner can provide information confirming a later date as the end of Occupancy.

**B) Unit Owner Failure to Report Vacancy Within 15 Days: What If I Fail to Notify BFCM My Unit is Vacant Within 15 Days?**

A Unit Owner is required to report the date of the end of any Tenant Occupancy in writing to the Association within 15 days of such date. The notice may come in any written form unless the Association employs a standard form, in which case that form shall be used. Failure to do so will result in expiration of Rental Rights, a fine, or both, in the Association's discretion for any occurrences after the date that these Regulations are mailed to Unit Owners.

**C) Unit Owner Failure to Comply With Rental Registration Requirements During the 90-Day Vacancy Period: What Steps Do I Have to Complete During the 90 Vacancy Period to Re Rent My Unit?**

Expiration of Rental Rights shall occur unless the Unit Owner procures a new Tenant whose rental term starts within 90 days after the end of the prior Tenant's Occupancy as set forth in section A above, and the Unit Owner has completed the rental registration process by submitting a substantially completed rental package required by the Association, signed by all new Tenants and the Unit Owner, with submission of proper fees. Documentation that the start of the rental period for the new Tenant is within the 90 day vacancy period may be required as part of rental registration process.

**5. Rental Cap Waiting List: Can I Apply For the Rental Cap Waiting List? And How Do I Apply?**

Any Unit Owner who wishes to rent a Unit while the Rental Cap is in force and who did not have Rental Rights before that time and who is not exempt under Section 3 above, may apply to be placed on the Rental Cap Waiting List. The request may come in any reasonable written form unless the Association employs a standard form, in which case that form shall be used.

**A) Application for Waiting List**

The application to register tenants shall contain the name of all proposed Tenants, or the Unit Owner may simply state "to be determined." Even if the name of the Tenant is placed on the application, newly identified Tenants may be substituted for the original Tenant after the Association informs the Unit Owner at the top of the Waiting List that the Unit is eligible for rental during the 30-day rental period.

**B) Rental Rights Granted to Unit Owners at the Top of Waiting List: When I am on the Waiting List. How Will I Know When to Start Finding a Prospective Tenant?**

At any time the Association believes that, due to a pending expiration of Rental Rights of one or more Units, less than 47% of all Units in Brentwood Forest (670 total Units) will be rented, the Association may give the Unit Owner at the top of the Waiting List a non-binding preliminary indication that their Unit will likely be eligible for rental within the next 60 days in order to facilitate the obtaining of well-qualified Tenants. The Unit Owner may not rely on this preliminary indication to enter into any rental agreement with the prospective Tenant until the Unit Owner receives formal notice from the Association of the requirement that the rental registration process be completed in 30 days.

When the Unit Owner completes the rental registration process, the beginning of the rental period for any new Tenant(s) must start within 30 days after submitting the rental registration packet to the Association, or the first day of the succeeding calendar month, whichever is later.

**C) Rental Cap Information Available to Unit Owners: How Can I Learn Where I Rank on the Waiting List?**

Certain information regarding the Waiting List shall be open for review by any Unit Owner during regular Association business hours. Such information shall consist of (1) the address of each Unit on the Waiting List; (2) the date it was placed on the Waiting List; (3) the number from the top of the Waiting List; and (4) the date the Waiting List was last updated.

Any other information on the Waiting List shall be confidential. There shall be no requirement that the Association update the Waiting List more than once every thirty days.

**D) Removal of Unit From Waiting List: Can I Lose My Place on the Waiting List?**

Units on the Waiting List shall be removed under the following circumstances: the Association learns that a Unit on the Waiting List is no longer eligible for the Waiting List due to sale or other event (including any violation by a Unit Owner of the Rental Cap provisions); a Unit Owner fails to timely return any confirmation form sent by the Association of the Unit Owner's desire to stay on the Waiting List; or a Unit Owner signs a form consenting to such removal.

At the next update of the Waiting List, such Unit(s) shall be removed from the Waiting List and the place numbers of the remaining Units on the Waiting List shall be adjusted to reflect such removals.

**E) Unit Owner Required to Update Information: What Happens if I Fail to Complete and Return the Annual Waiting List Information Form?**

Once a year the Association may send out a form to all Unit Owners on the Waiting List to determine whether they wish to stay on the Waiting List. The form may be mailed as part of the Association's annual distribution of condo information. If any Unit Owner fails to return the form within 30 days, the Association may mail a second form with a notice that if the form contained in such second notice is not returned within 30 days of the date of the letter, the Unit will be removed from the Waiting List.

**F) Listing Unit For Sale While on Rental Cap Waiting List: Can I Try to Sell My Unit While on the Waiting List?**

Any Unit Owner on the Waiting List may also list the Unit for sale, but upon the closing of any such sale the Unit shall be removed from the Waiting List.

**6. Suspension of Rental Time Limits: Are There Exceptions to the Time Limits to Re Rent My Unit?**

**A) Suspension Due to Casualty: What if My Unit is Damaged?**

If any Unit with current Rental Rights, or any Unit on the Waiting List, is damaged by fire, water, wind or other casualty that makes the Unit uninhabitable for a period of 10 days or more, or causes the automatic termination of any existing rental agreement on such Unit, all time limits for such unit under the Rental Cap shall be suspended for the period of uninhabitability.

To qualify for the suspension of such rental time limits, the Unit Owner shall promptly notify the Association and the City of Brentwood of the casualty and request the rental period suspension until the damage is repaired. The Unit Owner must receive a written notice from the Association that the rental period limits have been suspended in order for such suspension of time limits to take effect. The suspension shall end when an Occupancy permit is issued by the City of Brentwood, or a reasonable time has passed and the Unit Owner has not made repairs after notice by the Association imposing a deadline on such repairs.

**B) Suspension Due to Renovation: What if My Unit Needs Major Renovations?**

Any Unit with Rental Rights where the Unit Owner wishes to do a major renovation following a vacancy may request that the Association suspend the 90-day vacancy time limit for up to 60 additional days to allow time for the work. A major renovation for purposes of this Section shall be defined as one costing a minimum of \$15,000 where the Association determines the work constitutes a major renovation due to the scope of the work. To qualify, the renovation must include such items as replacement of kitchen cabinets,



counters, appliances, flooring; replacement of bathroom sink, tub, toilet; replacement of flooring or floor covering in other rooms; or a reconfiguration of interior rooms. In and of themselves the following shall not constitute a major renovation: painting, carpet replacement, making minor repairs or simply replacing appliances.

The request for suspension must be made prior to, or at the time of, the Unit Owner's 15 day deadline for notifying the Association of the vacancy. The Association shall notify the Unit Owner within 10 days as to whether the request has been granted.

## **7. Qualification for and Expiration of Rental Rights**

### **A) Initial Determination of Rental Rights During Rental Cap: Who is Permitted to Rent a Unit at the Time the Rental Cap Begins?**

At any time the Rental Cap is in effect, Rental Rights shall initially be limited to Unit Owners identified as owners of Units that were rented at the time the Rental Cap took effect. If, when the Rental Cap takes effect, a Unit Owner is in the 90-day vacancy period from the last date of Occupancy under Section 4, , the Unit Owner's Rental Rights shall continue as long as the new rental meets the registration requirements in Section 4C. Any Unit Owner who claims to be in the 90 day vacancy period at the time of imposition of the Rental Cap must submit satisfactory evidence of the termination date of the prior Tenant's Occupancy.

### **B) Expiration of Rental Rights: If My Unit Has Rental Rights. Under What Circumstances Can Rental Rights Be Lost?**

The Rental Rights of Unit Owners holding such rights during the pendency of a Rental Cap shall expire on the happening of any of the following events:

- 1) Any sale of the Unit, or any change of title to the Unit that removes the name of all the current Unit Owners or adds the name of a person not related to such Unit Owners (except placement of a Unit in a trust under Section 3C).
- 2) Failure of a Unit Owner to submit a substantially completed rental packet and transfer fees for a prospective tenant within the 90-day vacancy period pursuant to Section 4.
- 3) Determination by the Association that a Contract for Deed entered into after July 23, 2012, makes the Unit an Owner Occupied one under Section 3 E.
- 4) Determination by the Association that family members Occupying the Unit after July 23, 2012, make the Unit an Owner Occupied one under Section 3 C.
- 5) Determination by the Association that a Unit Owner provided false or inaccurate material information, or concealed material information demonstrating that the Unit Owner did not qualify for rental rights during any period the Rental Cap is in force, or that a Unit Owner has in any other way rented the Unit in violation of the Rental Cap.

**C) Waiting List Application After Rental Rights Expire: If My Unit Loses Rental Rights, Can I Reapply?**

Any Unit Owner may apply to be added to the Waiting List at any time after Rental Rights expire.

**D) Expiration of Rental Rights Where a Tenant Lawfully Remains in Occupancy for a Period Following the Sale of a Unit: How Long Can My Tenant Stay in the Unit After I Sell My Unit?**

If a Unit is sold during an existing Association-approved tenancy, the purchasing Unit Owner shall terminate the tenancy at the very first opportunity that exists under the rental agreement, or in 60 days in the case of a month-to-month tenancy. In order to continue the current tenancy for that limited period, as part of the sale packet the new Unit Owner must notify the Association of such rental and the date the tenancy will be terminated, including documents demonstrating that such date represents the first opportunity or right to terminate the tenancy as part of the Association's buyer's packet submission.

While the Rental Cap is in effect, the maximum period of time for a tenant to stay in possession following a sale shall be one year following the date of sale, and any longer rental term or lease renewal rights shall be void under the BFCA Declaration and Bylaws and these Regulations. This lease term restriction shall not apply to leases commenced prior to the effective date of these Regulations.

**8. Enforcement: What Are the Penalties If I Fail to Follow the Rental Cap Regulations?**

A Unit Owner's rental of any Unit prior to receipt of all approvals from the Board as required under Section 24.7, or which is otherwise in violation of Section 24.7 or these Regulations, shall subject such Unit Owner to the remedies set forth in Section 18.5 of the Declaration and Bylaws and any other remedies otherwise available, including without limitation, the rental exemption and, additionally, the following fine schedule:

\$100.00	(first month or portion thereof of such non-compliance);
\$200.00	(second month or portion thereof of such non-compliance);
\$300.00	(third month or portion thereof of such non-compliance, and each successive month or portion thereof of such non-compliance thereafter)

The Association shall have the discretion to waive or reduce fines upon execution or any written settlement agreement with a Unit Owner that will bring the Unit Owner in compliance with all Rental Cap requirements within 12 months or less as determined by the Association.

Section 18.5 C of the BFCA Declaration and Bylaws specifically provides that the Board may file an eviction action against tenants in the event of a violation of the BFCA Declaration and Bylaws. Under Section 21.4 of the BFCA Condominium Declaration and Bylaws, the Association has additional remedies against the Unit Owner and Occupants who violate the

Rental Cap or these Administrative Guidelines and Rules, including suspension of swimming pool rights and use of other recreational facilities.

9. Lifting of the Rental Cap: When Will the Rental Cap be Lifted?

The Rental Cap will be lifted when less than 46 % of the total Units (656 Units) have been in the Rental Unit category for a continuous period of one year. If at any time during that year the 46% threshold is exceeded, then the one-year period shall be reset commencing on the date when the number of rentals again drops below 46%.

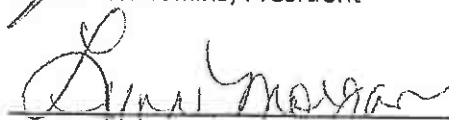
10. Reinstatement of Rental Cap: Once Lifted, Can the Rental Cap Return?

In order to reduce the likelihood that the Rental Cap will temporarily end and be reinstated repeatedly during a short period of time, the reinstatement of the Rental Cap shall occur under Section 24.7 when more than 46% of the Units (656 Units) are rented out for a continuous period of one year or during any shorter time period where more than five Units in excess of 46% of the total Units are rented out. At such time a new Rental Cap warning determination notice shall be provided to all Unit Owners in accordance with such section.

The undersigned President and Secretary of the BFCA do hereby attest that these Regulations under Section 24.7 were adopted by the BFCA Board of Managers on the <sup>30</sup>~~27~~ day of Oct., 2013.

  
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Judson W. Calkins, President

Attest:

  
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Lynn Morgan, Secretary