

Rental Policy

Homeowner Rental Registry

The Association will develop annually a registry of Shorewood homes that may be offered for short-term rentals. Each year by May 1, homeowners considering renting their home will return the completed Homeowner Rental Registry form to the designated rental management company. This form contains basic information such as maximum occupancy and owner contact information. Should a homeowner decide to rent their home subsequent to May 1, the form should be completed and forwarded as soon as possible, but in any event before a short-term rental occurs. Should a homeowner submit the completed form and subsequently decide not to rent their home, no action is required. There is no fee for a homeowner to register their home as a potential rental.

Who should complete the Homeowner Rental Registry form? The answer is simply any homeowner who receives money in return for the rental of their home for periods of six months or less. This is not limited to rentals advertised through online sites.

Renter registration

1. Every time a Shorewood home is rented, the homeowner or his agent will send a copy of the contract to the rental management company (RMC) no less than three (3) days prior to the arrival of the rental party.
2. The RMC then emails a Renter Packet to renter. The packet will include a Renter Registration form, a Renter Waiver and Renter Rules and Guidelines.
3. Renter signs and returns the completed Renter Registration form and Renter Waiver to the rental management company. Renter should include the names of all adults staying at the rental home. Only those adults listed on the rental contract can use the rental home.
4. The RMC notifies the homeowner that the renter has completed their registration.
5. The RMC produces a weekly (or more often as needed) rental status report to be emailed to the Property Manager and designated Board members. They are thus aware of which homes in Shorewood are being rented at any given time.
6. The RMC produces a separate report of charges concerning renting homeowners to be emailed to designated Board members and the Association's outside bookkeeper. The bookkeeper then mails invoices for relevant administrative, penalty and/or rental impact fees to the homeowner's permanent address. Payment is due within thirty (30) days of the invoice date.
7. The rental management company will periodically drive through Shorewood checking on rental properties. It will contact the homeowner if there is a problem (for example, unregistered cars or unregistered renters) at a rented property.

Other considerations

- Homeowners are responsible for distribution of keys, beach parking tags and beach flags to renters.
- Neither the Association nor the rental management company is acting as agent for renting homeowners, and neither accepts any responsibility for or liability concerning the rental process.

Rental Impact Fee Calculation

The rental impact fee is calculated as **either** a daily flat rate of a \$100 per night **or** 10% of the gross rental income, **whichever is less**. If the homeowner wishes to be charged the 10% fee rather than the flat rate, the owner or his agent must produce the pricing component of the contract when initially contacting the rental management company (see step 1 under Renter Registration). Failure to disclose the rental pricing will result in the daily flat rate of \$100 being charged. As an example, assume a home is being rented for \$3,500 a week (or seven nights). The daily flat rate would be \$700. However, 10% of the gross rental proceeds would only be \$350. Presumably, the owner would supply the contract pricing information in order to incur the smaller rental impact fee.

(The above section is subject to approval at the May 26, 2018 Special Meeting.)

Administrative and Penalty Fees Calculation

Failure to disclose a short-term rental may result in a \$250 penalty fee being assessed in addition to rental impact fees. Should an undisclosed rental occur, the rental management company will contact the homeowner who must contact the renter to have them check in with the Property Manager in order to complete the Renter Registration form and Renter Waiver and receive a copy of Renter Rules and Guidelines. Should the homeowner wish to choose the 10% rental impact fee, he is responsible for emailing the relevant information to the RMC within 24 hours.

- If the homeowner and renter respond within 24 hours and the Property Manager receives the completed paperwork, no penalty fee will be charged. Instead, a \$50 service fee will be charged.

If the homeowner isn't available or does not respond, then, after the 24-hour grace period, the Property Manager or designated Board members will notify the RMC of the appropriate fees and penalties for inclusion in their weekly report to the Association's outside bookkeeper. The homeowner's impact fee would be the default rate of \$100/night for the entire rental period, plus the \$250 penalty for non-disclosure, plus the \$50 service fee.

- Repeated non-payment of invoiced fees may result in a homeowner's loss of good standing and right to vote as well as use of a Beach parking pass and/or sticker and Beach flag. If past due fees of any kind (annual dues, special assessment, building impact fees, rental impact fees, etc.) rise to a level considered excessive by the Board of Directors, the Board on behalf of the Association will consider attaching a lien on the rental property.