

**RULES AND REGULATIONS FOR
SHORT-TERM RENTALS**

THESE RULES AND REGULATIONS OF SHORT-TERM RENTALS (the “Rules”), are made and entered into as of the 27th of February, 2023 by **REYNOLDS LOFTS CONDOMINIUM ASSOCIATION, INC.**, a Kentucky non-profit corporation, with an address of 1999 Richmond Road, Suite 300, Lexington, Kentucky 40502 (the “Association”).

WHEREAS, the undersigned owner (the “Owner”) is the owner of one or more of the units of Reynolds Lofts Condominiums, located at 2520 S 3rd Street, Louisville, Kentucky 40208 (the “Condominium”);

WHEREAS, the Owner desires that the following unit(s) be used for or rented for transient, hotel, or motel purposes for a period of less than thirty (30) days, or any duration of time, defined by the Louisville/Jefferson County Metro Government, from time to time (the “Short-Term Rental”): _____ (individually or collectively, the “Rental Unit”);

WHEREAS, pursuant to that certain Amendment to Master Deed Establishing Reynolds Lofts Condominiums dated as of February 27, 2023, filed of record April 25, 2023 and commencing June 15, 2023. Owners must adhere to these Rules to participate in renting the Rental Unit as a Short-Term Rental.

As a condition to use the Rental Unit as a Short-Term Rental, the Owner is willing to sign these Rules and fully comply will all the terms contained herein.

NOW THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, and for other good and valuable consideration, the adequacy, sufficiency, and receipt of which are hereby acknowledged, Owner and Association hereby agree as follows:

1. **Short-Term Rental Eligibility Requirements**. To be eligible to rent a Rental Unit as a Short-Term Rental, the Owner must:

a. Annually register each Rental Unit with Louisville Metro’s Office of Planning & Design Services and Louisville Metro’s Revenue Commission. Owner must provide documentation evidencing compliance with all applicable city, state, and federal requirements, or any other documents, registrations, permits, or licenses that Association requests from Owner. Owner must resubmit such documentation to Association annually or immediately upon renewal of the registration, permit, license, or upon the request by Association. Owner, at all times, shall be compliant with any applicable city, state, or federal laws, regulations, ordinances.

b. Provide proof of liability insurance for each Rental Unit, with a nationally recognized company authorized to do business in the Commonwealth of Kentucky, insuring against personal injury (including death) and property damage claims related to the Short-Term Rental use, with coverage limits of no less than \$1,000,000.00 per occurrence and name Association as an additional insured and Bill Stout Properties, Inc., a Kentucky corporation (the “Property Manager”) as a certificate holder. Said insurance coverage must remain in effect the entire time a Rental Unit is available for rent as a Short-Term Rental.

c. Provide Association with the current cell phone number of Owner and Owner’s agent or representative, if any, to be contacted in case of emergency, maintenance or operational concerns, rule violations, or complaints. The aforementioned contacts must always be available twenty-four (24) hours a day during all rental periods to address and respond to reported issues, contact the Guests regarding complaints, and be physically present at the Rental Unit to address reported concerns within thirty (30) minutes of telephonic notification.

d. Owner will send a summary of the rental information for each of their Guests for each individual rental to Property Manager at sarah@sixdegreesre.com. Owner shall include each Guest’s dates of arrival and departure, the Guest’s contact information, the number of Guests staying in the Rental Unit, vehicle information, the Rental Unit reserved, unit rental rate, and the manner in which the reservation was booked (AirBnB, VRBO, FlipKey, etc). The foregoing e-mail must be sent when the reservation is confirmed and be sent prior to the start of any rental period.

e. Provide a summary of requirements and the terms of service from any hosting platform to Association.

f. Pay Association a Short-Term Rental Association Fee of \$500, to be paid annually, on the anniversary of the Owner’s execution of these Rules (the “Renewal Date”).

g. Pay a Fifty Dollar (\$50) monthly Wear and Tear Fee to Association. The Wear and Tear Fee shall be included in the Owner’s monthly statements from the Association.

h. Advise Association immediately if the Owner no longer desires to use the Rental Unit as a Short-Term Rental. No refund of the annual Short-Term Rental Association Fee shall be made by the Association.

i. Notwithstanding any of the foregoing in this Section 1, Association may, in its sole and final discretion, decline to renew Owner’s eligibility to participate in renting the Short-Term Rental, for any reason whatsoever. Association shall provide Owner notice of such decision not renew at least thirty (30) days in advance of the Renewal Date.

2. Security and Check-In Procedures.

a. The Owner is solely responsible for checking Short-Term Rental Guests in and out of the Rental Unit.

b. If Owner, or Owner's agent, does not personally meet the Guests for check-in or check-out, Owner must use the key distribution machine provided by Association to allow Guests to access Rental Unit and building keys. If Owner engages a cleaning or property management service that needs access to the Rental Unit, such personnel shall also use the key distribution machine if Owner, or Owner's agent, is not present at the Condominium.

c. Parking is monitored at all times by WMI or a successor parking management company. Owners will provide Guests a temporary parking tag with the Rental Unit number and reservation dates clearly and legibly written on it for the Condominium parking lot. The temporary parking tag must be clearly and conspicuously displayed at all times while the vehicle is parked on the Condominium premises. Owner will instruct Guests to park only in those spaces designated for Short-Term Rental Guests. Owner will not permit Guests to park more than one (1) vehicle on the Condominium premises if the Rental Unit is a one-bedroom unit and more than two (2) vehicles on the Condominium premises if the Rental Unit is a two-bedroom unit. Any unregistered and untagged cars parking on the Condominium premises shall be towed by WMI, without notice to the vehicle owner, at such vehicle owner's sole expense.

3. Owner Policies.

a. Owner is solely responsible for all of the marketing, advertising, booking, and billing of the Rental Unit. It is the Owner's sole responsibility to screen each Guest prior to accepting any reservation. Notwithstanding anything to the contrary, the Owner shall not allow any single reservation to exceed thirty (30) days.

b. Prior to finalizing any reservation, Owner shall ensure that all Guests acknowledge and agree to follow all rules, regulations, and policies of the Association, and all requirements of the Master Deed, including, but not limited to:

- i. Each Rental Unit shall be used and maintained in a manner consistent with the character of the Condominium;
- ii. No loitering in the hallways, stairways, common areas, or parking lot;
- iii. No dogs, cats, or pets of any kind shall be allowed in the Rental Unit or the Condominium premises;
- iv. Guests shall not have access to the Condominium roof;
- v. No smoking, vaping, or similar activity is permitted in the Rental Unit, common areas, or anywhere on the premises of the Condominium;
- vi. Guests must abide by and follow all of the existing terms of the Bylaws or Master Deed, each as amended, of the Association;

- vii. Guests must strictly observe the Condominium's quiet hours between 11pm and 7am.
- viii. During the Guest's stay, only those people listed on the reservation or final confirmation are permitted in the Rental Unit or Condominium. There are to be absolutely no parties, gatherings, or groups of people that are not listed on the reservation or Master Schedule of the Association in the Rental Unit or Condominium.
- ix. Guests shall not conduct any kind of commercial business in the Rental Unit unless the Guest describes the activity and business purpose and Owner agrees, in writing, with such writing being provided to Association.
- x. All minors must be accompanied in common areas and Rental Unit by an adult at all times.
- xi. Guests shall not engage in or allow any activity, noise, vibration, odors or other nuisance within the Rental Unit or common areas of the Condominium. Any activity, noise, vibration, odors or other behavior that may annoy or disturb any persons within the Condominium or its common areas is prohibited.
- xii. No Guest or other persons related to or affiliated in any way with the Guests shall engage in any unlawful activity within the Condominium, including but not limited to manufacturing, possession, storage, or sale of alcohol or illegal drugs. The Rental Unit shall not be used for gambling, canvassing, soliciting, or peddling or for any immoral or illegal purposes.
- xiii. No sounds from within the Rental Unit shall be audible outside the Rental Unit. For example, Guests may not place or use speakers, horns, whistles, bells, or other sound emanating devices within the Rental Unit or the common areas of the Condominium.
- xiv. Guests may not hang, dry, or clean any clothing, rugs, or other articles upon balconies or patios or any other area outside the Rental Unit.
- xv. Use of alternative heating or cooling devices is prohibited. Owners shall instruct Guests to use only those heating or cooling systems installed in Rental Unit or electric fans.
- xvi. Guests shall not allow the accumulation of rubbish or debris of any kind upon any part of the common areas of the Condominium.
- xvii. Entry doors are not to be propped open or tampered with.

c. Owner shall keep posted on the inside of the Rental Unit front door, at all times, copies of all rules and policies of the Association and the Condominium, including, but not limited to the list of policies set forth in Section 3(b) of these Rules. Annually, Owner shall e-mail a picture of

the foregoing to the Property Manager at admin-RL@billstoutproperties.com no later than the Renewal Date as part of the Rental Unit's annual registration with the Association.

d. Annually, Owner shall post and maintain in legible condition a clearly printed fire escape route on an 8.5 inch by 11 inch paper, attached on the inside of the front door of the Rental Unit. Owner shall e-mail a picture of the foregoing to the Property Manager at admin-RL@billstoutproperties.com no later than the Renewal Date as part of the Rental Unit's annual registration with the Association.

e. Owner shall not permit more than two (2) Guests to stay at any one time in a one-bedroom Rental Unit and no more than four (4) Guests to stay at any one time in a two-bedroom Rental Unit.

f. Owner will not rent or book the Rental Unit under more than one reservation at a time.

4. Enforcement.

a. All complaints or any observed violation of these Rules or other rules and regulations of the Association in effect, resulting from Short-Term Rental Guests of the Rental Unit will be communicated to the Owner or, if applicable, Owner's agent or representative, for immediate rectification. If the Guest's violative behavior does not promptly cease, the Association and Property Manager have the right and authorization to pursue any legal action to remove disruptive Guests from the Rental Unit and Condominium premises, at any time, for any reason, at the Association's discretion and at the Unit Owner's sole expense. Association will not be responsible for any fee or penalty from a hosting platform, Guest refund, or further communication with the Guest. Owner understands that Association will notify all owners and tenants of the Condominium that complaints or observed violations of these Rules by Owner's Guests may be emailed to admin-rl@billstoutproperties.com.

b. The Rental Unit Owner is legally responsible for the conduct of the Guests of their Rental Unit. The Owner of a Rental Unit that is the subject of a noise or disruptive conduct complaint received by Association of a violation or in the event of any violation whether or not the subject of a complaint (a "Violation") shall be penalized and their right to use their unit for Short Term Rentals suspended in the following manner, with such penalties being cumulative and suspensions being consecutive and not concurrent:

- i. First Violation -the Owner shall receive a written warning.
- ii. Second Violation -the Owner will be fined \$100, to be paid to Association before any other guests may occupy the Rented Unit.
- iii. Third Violation -the Owner will be fined \$250, to be paid to Association before any other guests may occupy the Rented Unit.

- iv. Fourth Violation -the Owner will be fined \$500 and not be eligible to participate in Short-Term Rental of the Rental Unit for a period of six (6) months from the date of notice of the Fourth Violation. Any and all reservations already booked during this suspension period may not be honored, at the sole cost and expense of Owner. The fine must be paid to Association before guests may occupy the Rented Unit.
- v. Fifth Violation -the Owner will be fined \$1,000 and not be eligible to participate in Short-Term Rental for the Rental Unit for a period of twelve (12) months from the date of notice of the Fifth Violation. Any and all reservations already booked during this suspension period may not be honored, at the sole cost and expense of Owner. The fine must be paid to Association before guests may occupy the Rented Unit.

c. Owner shall be liable for any damage to the Condominium building or common areas, or property of other guests or residents of the Condominium, caused by a Short-Term Rental Guest of the Owner's Rental Unit. Owner hereby agrees that Owner is legally responsible for and shall have the sole responsibility to pay any and all costs and expenses to repair any damage reasonably determined to have been caused by a Guest of Owner's Rental Unit, including enforcement costs and expenses of Property Manager or the Association. Owner shall also pay the penalties in accordance with Section 4(b) in conjunction with paying for repairs caused by Owner's Guests.

d. In addition to Section 4(b), Owner's eligibility to participate in Short-Term Rental of the Rental Unit may be suspended or revoked in accordance with Section 4(e), by Association, for any reason, including, but not limited to:

- i. A materially false statement or misrepresentation has been made in these Rules or to Association in relation to Owner's Rental Unit;
- ii. If Owner, or Owner's rental manager or management company, fails to timely respond to two (2) or more complaints or Violations in a twelve (12) month period;
- iii. The failure to properly register the Rental Unit with the city government or Association;
- iv. The failure to pay the fees owed to the Association pursuant to Sections 1(f) and 1(g);
- v. The failure to properly post or maintain in good condition the information, rules, including the policies listed in Section 4(b), and safety guides pursuant to these Rules in the Rental Unit;
- vi. Any noncompliance with the terms of these Rules; and

vii. Any other incident or noncompliance with these Rules, the Master Deed or Bylaws of the Association, or other local, state, or federal rules, which at the discretion of the Association, provide grounds for a suspension.

e. Following the Association's determination that Owner's eligibility to participate in the Short-Term Rental program shall be suspended pursuant to Section 4(d), the suspension shall occur in the following manner, with such penalties being cumulative for the entire duration that the Owner participates in the Short-Term Rental program, and with such suspensions being consecutive and not concurrent:

- i. First violation - the Owner is not eligible to participate in the Short-Term Rental of any Rental Unit for a period of six (6) months from the date of notice of the suspension.
- ii. Second Violation – the Owner is not eligible to participate in the Short-Term of any Rental Unit for a period of twelve (12) months from the date of notice the Second Violation.
- iii. Third Violation – the Owner will be fined \$500 and is not eligible to participate in the Short-Term of any Rental Unit for a period of twenty- four (24) months from the date of notice of the Third Violation. The fine must be paid to Association before Owner may occupy the Rented Unit.

f. Any and all reservations already booked during the suspension period in Section 4(e) may not be honored, at the sole cost and expense of Owner.

g. The penalties set forth in Sections 4(b) and 4(e) shall be in addition to one another and neither shall supersede the other. All such penalties shall be cumulative and suspensions shall be consecutive and not concurrent.

5. Miscellaneous Provisions.

a. These Rules shall be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties.

b. The parties hereto shall resolve all disputes arising out of these Rules or the transactions contemplated hereby in the state courts of the Commonwealth of Kentucky sitting in Fayette County, Kentucky. The Parties hereby consent to the jurisdiction of said courts. **The parties hereby waive any right to a trial by jury in any action arising out of these Rules or the transactions contemplated hereby.**

c. These Rules shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to conflicts of law.

d. If any provision of these Rules is determined by a court to be invalid or unenforceable, such provision shall be modified by the court to the extent necessary to conform to applicable law. If such provision cannot be so amended without materially altering the intention of the parties, it will be deemed stricken, and the remainder of these Rules shall remain in full force and effect.

e. Owner shall reimburse Association for any and all reasonable costs and expenses (including reasonable attorneys' fees) incurred in any action enforcing these Rules against Owner.

f. A party giving notice pursuant to these Rules shall give notice by at least one of the following methods: (i) personal delivery; (ii) electronic mail (e-mail); or (iii) letter sent by certified or registered mail, return receipt requested. Notices delivered by personal delivery are deemed to have been received as of the date and time personally delivered. Notices delivered by e-mail are deemed to have been received as of the date and time sent. Notices delivered by certified or registered mail are deemed to have been received as of the date and time on the signed receipt. The party giving notice shall address the notice to the address of the other party appearing in the first literary paragraph of these Rules.

g. These Rules may be executed in multiple counterparts, all of which are originals with the same effect as of the parties had signed the same document. Delivery of a signed counterpart by facsimile, e-mail, or other means of electronic transmission shall be deemed to constitute delivery of an original signature.

[Signature page to follow]

IN WITNESS WHEREOF, the Association has executed these Rules to be effective on the date first written above.

ASSOCIATION:

**REYNOLDS LOFTS CONDOMINIUM
ASSOCIATION, INC,**
a Kentucky non-profit corporation

By: _____

Title: President

The undersigned, as the owner of a Rental Unit, hereby joins in the execution and delivery of the foregoing Rules to evidence his/her acknowledgement, approval, and consent to be bound by the terms set forth herein.

OWNER:

Rental Unit Number(s): _____

Date: _____