Subject: Family Member Rental Exemption

Dear Homeowner:

This is in response to your inquiry regarding the requirements for qualifying for a Family Member Rental Exemption. A homeowner may qualify for a fee-exempt business license if the property is occupied by an immediate family member and only nominal rent, if any, is being received.

Immediate family members are limited to the following:

- Father
- Son
- Brother
- Grandfather
- Grandson
- Mother
- Daughter
- Sister
- Grandmother
- Granddaughter

Also, to qualify for a fee-exempt business license, it must be determined that any rental income received is less than the "cost of maintaining said premises." The cost of maintaining said premises includes, but is not limited to: mortgage costs, title and homeowner property insurance premiums, property taxes, homeowner association dues, and cost of utilities or property maintenance for which the homeowner is legally liable.

Calculate the total annual cost of maintaining said premise in the space provided on the enclosed application. If the annual rent received is less than or equal to the annual cost of maintaining said premises, the homeowner is eligible for a Family Member Rental Exemption license.

To apply, please complete the accompanying fee-exempt business license application. Along with the application, a photo-copy of the family member's current California Driver's License or Identification Card and a photo-copy of a utility bill showing the family member as the responsible party for utility service are required. In addition, a signed copy of the lease or rental agreement is required.

All information and requested documentation furnished to the City of Santa Ana for purposes of applying for a Family Member Rental Exemption are deemed confidential documents and will be used solely for purpose of verifying eligibility.

Contact the Business Tax Office at (714) 647-5447, in regards to any questions concerning this letter.

City of Santa Ana
Business License Tax Office
FAMILY MEMBER RENTAL EXEMPTION

(PLEASE TYPE OR PRINT CLEARLY, USING BLACK INK)

AFFIDAVIT – CONFIDENTIAL (NOTE: We are unable to process an incomplete application. Please complete this application and submit with copies of supporting documents.)

RENTAL PROPERTY/OCCUPANT INFORMATION – Enter Information of Qualifying Family Member

<table>
<thead>
<tr>
<th>Date Property First Rented to Family Member</th>
<th>Today’s Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Property Address</td>
<td></td>
</tr>
<tr>
<td>Family Member’s Name (Occupant)</td>
<td></td>
</tr>
<tr>
<td>Relationship of Family Member (Father, Mother, Son, Daughter, etc.)</td>
<td></td>
</tr>
<tr>
<td>Family Member’s Driver’s License No.</td>
<td></td>
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</tbody>
</table>

OWNER INFORMATION

| Property Owner’s Name                        |              |
| Property Owner’s Mailing Address (If Different) |              |
| City                                        | State | Zip | E-mail |
| Business Telephone No. (            )        | Emergency Telephone No. (            ) |
| Social Security No.                      | Federal Tax I.D. # - - - - - - - - - - |

To qualify for a fee-exempt business license, the rental income must be less than the actual cost of maintaining the rental property, which includes the following:

- Mortgage……………………………………………………………………… $___________________
- Title and Homeowner Property Insurance Premiums……………………… $___________________
- Property Taxes………………………………………………………………$___________________
- Homeowner or Condominium Association Costs…………………………… $___________________
- Cost for Contractual Obligations Related to Maintaining Property Ownership… $___________________
- Cost for Utilities and/or Property Maintenance……………………….. $___________________
- Total cost of Maintaining Rental Property……………………………… $___________________

Total Monthly Rental Income………………………………………………. $___________________

I declare under penalty of perjury that this application (including accompanying documents) are, to the best of my knowledge, a true and correct statement of facts.

Signature ________________________________  Title ________________________________

Print Name ________________________________  Date / /

Please remember to submit the supporting documents as requested in order to avoid delays. If you pay by check and it is returned, you expressly authorize the electronic debit of our account for the check amount plus a processing fee and any applicable sales tax.

* OFFICIAL USE ONLY

BTN ________________________________

NOTES: ________________________________ Initial: ___