



Bayview Townhomes Homeowners Association
2nd Amendment
Rental Ceiling Amendment to the Declaration
Filing # 20020909000236
2002

11.14 Rental of Units.

11.14.1 Rental Defined and Regulated. The rental of a Unit shall be governed by the provisions of the Declaration, including without limitation this Section. As used in the Declaration the terms “to rent”, “renting” or “Rental” shall refer to and include the Leasing or Renting of a Unit by its Owner and to the occupancy of a Unit solely by a person or persons other than the Owner; provided that for the purpose of the regulation of Rentals as provided in this Section 11.14 and the purpose of tenant screening as provided in Subsection 11.17, the terms “to rent”, “renting” or “Rental” shall not refer to the occupancy of a Unit by a Related Party. The rights of the Association and the obligations applicable to an Owner under Sections 11.14 and 11.17 shall be applicable to any Tenant who subleases a Unit or enters into an assignment of a Lease for a Unit, and the obligations of a Tenant shall likewise be applicable to the subtenant or assignee of a Tenant in such a situation.

11.14.2 Minimum Lease Term Required. No Unit Owner shall be permitted to Rent or Lease less than the entire Unit or to Rent or otherwise permit his or her Unit to be used for hotel or transient purposes, which shall be defined as Rental, occupancy or use by a Tenant or other non- Owner Occupant for an initial occupancy period of less than six (6) months. No Owner shall cause or allow business invitees in a Unit on a temporary or transient basis.

11.14.3 Lease Requirements. No Rental of a Unit shall be valid or enforceable unless it shall be by means of a written instrument or agreement between the Owner (s) and the Tenant (s) (referred to as a “Lease”). No Lease entered into after the date of recording of this Amendment shall be valid unless it bears the written approval by the Association granted prior to the occupancy of the Tenant. The occupancy of a Unit in the Condominium and every Lease shall be subject to the Governing Documents. The Association shall have and may exercise the same rights of enforcement and remedies for breach of the Governing Documents against a Tenant as it has against the Owner. Each Lease shall contain language acknowledging the Association’s rights and the Tenant’s obligations under the Governing Documents.

11.14.4 Lease Approval. Except as provided in Subsection 11.14.6, prior to the Rental of a Unit in the Condominium to a Tenant, and prior to the renewal of any previously approved Lease, a Unit Owner shall submit to the Association a valid and binding Lease, executed by both the Owner and the proposed Tenant, and contingent only on the approval of the Association, together with a request for the written consent of the Association. The Association shall, within seven (7) days of receipt of such request, grant its consent to the Owner if:

- (a) the Owner has complied with Subsection 11.14.3 and 11.17 of the Declaration.
- (b) in the case of a renewal, the Tenant is in strict compliance with all provisions of the Governing Documents, and has not been found to be in violation of the Governing Documents following notice and opportunity to be heard more than once during the immediately preceding Lease term;
- (c) the Lease is in compliance with the requirements of the Declaration;
- (d) the Rental would not cause the aggregate number of non-Owner occupied Units to exceed twelve (12) Units in the Condominium (referred to as the “Rental Ceiling”) ; provided, however, that:
 - (d) (i) the Association shall not withhold consent for a Owner and a Tenant to renew a Preexisting Lease meeting the requirements of Subsection 11.14.6 merely because the number of non-Owner occupied Units is equal to or greater than the Rental Ceiling;
 - (d) (ii) the Association shall not withhold consent for a Owner and a Tenant to renew a Lease which has previously been approved in the manner provided in this Subsection 11.14.4 merely because the number of non-Owner occupied Units is equal to or greater than the Rental Ceiling; provided, however, that the assignment or subletting of a Unit by a Tenant shall terminate the right to renew a previously approved Lease under this Subsection;
 - (d) (iii) the Association shall not withhold consent for a mortgagee, institutional holder or servicer in

possession of a Unit following a default in a mortgage or deed of trust (or foreclosure of the same), where such mortgagee, institutional holder or servicer first obtains possession subsequent to the date of recording of this Amendment, to rent a Unit merely because the number of non-Owner occupied Units is equal to or greater than the Rental Ceiling;

(d) (iv) the Association may grant a hardship exception as provided in Subsection 11.14.9 notwithstanding the fact that it would temporarily cause the number of non-Owner occupied Units to exceed the Rental Ceiling until the next Rental vacancy occurs.

11.14.5 Effect of Rental Ceiling. If an Owner wishes to rent a Unit but is prohibited from doing so because of the Rental Ceiling, the Association shall place the Owner's name on the Rental Waiting List provided for in Subsection 11.14.8

11.14.6 Preexisting Leases. Within thirty (30) days from the date of notification to all Owners that this Amendment to the Declaration has been adopted by the necessary percentage of Owners, each Owner who has rented a Unit to a Tenant who was in occupancy prior to the date on which this Declaration Amendment was approved by the Owners shall file a copy of the Lease for that Unit with the Association. A Lease in effect on that date and submitted as required in this Subsection shall be referred to as a "Preexisting Lease". Any Tenant occupying a Unit pursuant to a Preexisting Lease shall be permitted to renew his or her Lease thereafter, provided that a copy of the Preexisting Lease is filed with the Association within the time period provided for in this subsection and any subsequent renewals are submitted to the Association for approval prior to the expiration of the Lease term then in effect. The assignment or subletting of a Unit by a Tenant or the sale of a Unit by its Owner shall terminate the right to renew a Preexisting Lease under Subsection 11.14.6.

11.14.7 Limitations on Consent. No consent to Rental of a Unit shall be granted more than forty-five (45) days prior to the beginning of the Lease term for which consent is sought. Any consent granted by the Association shall automatically expire and terminate unless the Unit shall be occupied by the Tenant within thirty (30) days of the beginning of the term of the approved Lease.

11.14.8 Rental Waiting List. Except as provided in Subsection 11.14.4, if a Rental Waiting list exists, no Lease or Lease renewal shall be approved for an already rented Unit until all Owners who have previously applied for approval of a Lease have been given the opportunity to rent their Units. Each Owner who has rented his or her Unit shall promptly give notice to the Association of any expiration and nonrenewal or other termination of a Lease. An Owner whose Lease has expired and not been renewed by the Tenant, or whose Unit will be vacated and available for Rental within the next thirty (30) days, may give notice thereof to the Association and thereby have his or her name placed on the Rental Waiting List. The Owner in the next available position on the Rental Waiting List shall be notified, not more than sixty (60) days nor less than fifteen (15) days prior to the scheduled expiration and nonrenewal or other termination of a Lease on another Unit, of the opportunity to apply for consent to a Lease. That opportunity to apply shall be available to that Owner for a period of sixty (60) days from the date of that notice. If no request for approval to Lease is submitted during that period, that Owner's name shall be placed at the bottom of the Rental Waiting List, and the opportunity to rent shall be offered to the next highest person on the Rental Waiting List.

11.14.9 Hardship Exception. Where, on written application from an Owner, the Board determines that a hardship exists whereby, due to circumstances beyond the control of the Owner, that Owner would suffer serious harm by virtue of the limitation on renting contained in Subsection 11.14.4, and where the Board further determines that variance from the policies contained therein would not detrimentally affect the other Owners or the approval of the Condominium for secondary mortgage market financing, lender approval or VA or FHA approval, the Board may, in its discretion, grant an Owner a waiver of the Rental Ceiling for a temporary period not to exceed six (6) months. In the discretion of the Board, this hardship exception may be extended on written application of an Owner for one (1) additional period not to exceed six (6) months for good cause shown.

11.14.10 Rental Processing Fee. The Board shall be authorized from time to time to establish and charge reasonable fees in connection with the rental of Units, the maintaining of Tenant information and the Tenant to defray the added administrative costs of such activities. Such fees shall be collectable as a special Assessment against the Unit and its Owner.

11.14.11 Rental to Association. If a Unit is rented by its Owner, the rent is hereby pledged and assigned to the Association as security for the payment of all Assessments due by that Owner to the Association. If the Assessments owed by the Owner of a rented Unit are delinquent, the Board may collect, and the Tenant shall pay to the Board, the rent for any Unit owned by the delinquent Owner, or that portion of the rent equal to the amount due to the Association. The Tenant shall not have the right to question the Board's demand for payment. Payment by the Tenant to the Association will satisfy and discharge the Tenant's duty of payment to the Owner for rent to the extent of the amount paid to the Association. No demand or acceptance of rent under this Section shall be deemed to be a consent or approval of the Unit rental or a waiver of the Owner's obligation as provided in the Declaration. The Board shall not exercise this power where a receiver has been appointed with respect to a Unit or Unit Owner; nor in derogation of the exercise of any rights to rents by a Mortgagee. If a Tenant fails or refuses to pay rent to the Association as provided for in this section, the Association shall have the right to bring an action for unlawful detainer for non-payment of rent under RCW 59.12.030, and the costs and attorney fees incurred by the Association in connection with that action, and from the Owner of the Unit in the same manner as any other Assessment.

11.15 Use of Recreation Area. The recreation areas within the Condominium are for the use of Unit Owners and occupants only, with the exception of the tot lot, which may also be used by unit owners and occupants of an adjoining condominium known as Windward Cove.

11.16 Governing Documents to be Provided to Tenants. Each Unit Owner who Rents or Leases a Unit in the Condominium to a Tenant or allows the occupancy of a Unit by a Related Party shall provide that Tenant or Related Party with a copy of the Declaration and Rules. If the Unit Owner fails to provide evidence to the Association that it has done so, the Association may furnish a copy of these documents to the Tenant or Related Party and charge the Owner an amount to be determined by the Board for each document provided. Unless otherwise set by the Board, the coping charge shall be twenty-five cents (\$.25) for each page. The coping charge shall be collectable as a special assessment against the Unit and its Owner.

11.17 Tenant Screening.

11.17.1 Applicability. Section 11.17 shall be applicable to the Rental of any Unit in the Condominium other than to a Related Party.

11.17.2 Tenant Screening Required. Any Unit Owner who desires to rent a Unit to a person (referred to as an "Applicant"), other than a Related Party, shall, prior to entering into a Lease, submit to the individual designated by the Association (referred to as the "Associations designee") for each applicant a fully completed rental application, proposed Lease agreement and Tenant screening report (in formats acceptable to the Association) from a reputable tenant screening service ("Service"), such Service also being acceptable to the Association.

11.17.3 Nature of Screening Required. The Service shall take at least the following steps with regard to each applicant:

- (a) Obtain a consumer credit report on the Applicant;
- (b) Verify the Applicant's employment for the last two years;
- (c) Check the Applicant's rental history in its database and with all landlords during the last two years, either as reported by the Applicant or disclosed by the Service's investigation;
- (d) Check the public records in the counties of the Applicant's residence for criminal convictions, bankruptcy and unlawful detainer actions involving the Applicant;
- (e) Report such information as is disclosed by its investigation to the Association's designee, who shall forward a copy of the information to the Unit Owner and keep a copy for the Association's records.

11.17.4 Responsibility for Tenant Selection. Neither the Association's designee nor the Association shall evaluate any information provided by the Service or in any way make a determination or recommendation as to the suitability of any Applicant. The selection of a suitable and appropriate Tenant shall be the sole responsibility of the Owner.

11.17.5 Confidentiality. The Association's designee and the Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws and not disclose the content of any report to the Applicant or any other person not permitted access to such information provided by the Service.

11.18 Non-Discrimination. The Governing Documents are expressly subject to all applicable laws pertaining to unlawful discrimination. In the case of any conflict between the two, the laws against unlawful discrimination shall prevail. Neither the Association nor any Unit Owner shall discriminate against any person with regard to the sale, rental or occupancy of a Unit in the Condominium on the basis of race, color, creed, national origin, age, sex, sexual orientation, religion, familial status, marital status, handicap or any other legally protected classification.

11.19 Notice of Occupancy Change. The presence and movement of persons in and out of Units shall be governed by the provisions of this Section 11.19.

11.19.1 Registration of Preexisting Occupant's. All Occupants occupying Units at the time this Amendment is adopted must be registered with the Board within thirty (30) days of the adoption of this Amendment. As used in this Subsection, the term registration shall mean the filing by the Owner with the Board or its authorized representative of a written statement setting forth the following information:

- (a) the name, telephone numbers, and correct street address of the Owner of the Unit;
- (b) the Unit number and names and telephone numbers of all Occupants of the Unit other than the Owner; and
- (c) any other information regarding the Occupants of the Unit which shall be reasonably required by the Board.

11.19.2 Registration of New Occupants. All Owners must register new Occupants with the Board at the time they move in or within forty-eight (48) hours of meeting the definition specified in the Declaration. Nothing in this Subsection shall preclude an Occupant from submitting the registration required by this Subsection or the preceding Subsection.

11.19.3 Updating of Registration Information. All Owners shall advise the Board or the Manager of any changes in the registration information required to be provided in this Subsection on a current basis.

11.19.4 Notice of Moving Date. All Occupants shall provide the Board with reasonable prior notice of the date on which they expect to move into or out of a Unit.

11.19.5 Move-In and Move-Out Fees. The Board shall be authorized to assess a reasonable fee against any Owner and his or her Unit in connection with the moving of any new Occupant into a Unit, and in connection with the moving out of any Occupant from a Unit. The fee shall be paid prior to the move.