



TEHALEH OWNERS ASSOCIATION

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**THIRD AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR RESIDENTIAL PROPERTIES AT
CASCADIA EMPLOYMENT BASED PLANNED COMMUNITY**

RENTAL STANDARDS

3.8.6 Alienation; Leasing. No Use Rule shall require consent of the Association or board for the conveyance of any Unit. The Rental of a Unit shall be governed by the provisions of the Declaration, including, without limitation, this Article, provided that Sections 3.8.6(b), 3.8.6(c), 3.8.6(f), 3.8.6(g), 3.8.6(h) and 3.8.6(j) shall not apply to: (1) Age-Restricted Units located within the real property described on Exhibit D hereto; or (2) any Lot subject to any FHA, VA, or USDA insured loan, for so long as said Lot is subject to such loan. References to this Section 3.8.6 including sections 3.8.6(a) through (m).

- a. Definitions. As used in the Declaration, "Renting" or "Leasing" a Unit means the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent received on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value); but does not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership, or the occupancy of a Unit by any person who resides in a Unit with its Owner. As used in the Declaration, "Tenant" means and includes a tenant, lessee, renter, or other non-Owner occupant of a Unit that is not occupied by its Owner. Notwithstanding anything herein to the contrary, Section 3.8.6 shall not be applicable to the rental of a Unit acquired by the Association following a foreclosure of the Association's lien for Assessments or to the rental of a Unit by a receiver appointed on motion of the Association in connection with a lien foreclosure action filed by the Association.
- b. 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 one (1) year. No Owner or Tenant who does not occupy a Unit as a primary residence shall cause or allow the overnight accommodation of employees or business invitees in a Unit on a temporary or transient basis. Every lease shall be for a fixed initial term of not less than one (1) year, but may be renewed on a month-to-month basis thereafter.
- ~~c. Minimum Period of Ownership Occupancy Required. No Owner shall be permitted to rent or lease his or her Unit during the one (1) year period after he or she shall have acquired title thereto. For purposes of this Section 3.8.6(c), if a person or persons acquires a Unit through inheritance, that person or persons shall be deemed to have owned and occupied that Unit during the period that their decedent owned and occupied the Unit. (Removed with the Fourth Amendment to the CC&Rs, as recorded on 02/14/2023.)~~
- d. Lease Requirements. No rental of a Unit shall be valid or enforceable unless it is made by means of a written instrument or agreement between the Owner(s) and the Tenant(s). The occupancy of a Unit by a Tenant and every lease shall be subject to the governing documents of the Association. By entering into occupancy of a Unit, a Tenant agrees to be bound by 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 an Owner, and such exercise shall not be considered an election of remedies. Each lease shall contain language acknowledging the Association's rights and the Tenant's obligations under the governing documents, but the absence of such language shall not reduce or impair the Association's rights. Tenants cannot assign or transfer their lease, nor sublet the whole or any part of a Unit, and any such assignment, transfer, or sublease shall be null and void.

- e. Notice Required. At least thirty (30) days prior to the Rental of a Unit to a Tenant or the renewal of any Rental, the Owner shall provide the proposed Lease or Rental Agreement to the Association.
- f. Rental Ceiling Set. The maximum number of non-Owner-occupied Units in the Association at any one time shall not exceed fifteen percent (15%) of the Units. 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 a rental waiting list. The rental waiting list shall be maintained by the Board of Directors or its designee. Notwithstanding the foregoing, the number of Units used for the purpose of determining the Rental Ceiling shall not include any: (1) Age-Restricted Units located within the real property described on Exhibit D hereto; or (2) any Lot subject to any FHA, VA, or USDA insured loan that is rented at the time the determination is made.
- g. Hardship Exception. Where, on written application from an Owner, the Board determines that a hardship exists whereby that Owner would suffer serious harm by virtue of the limitation on renting contained in Section 3.8.6(f), and where the Board further determines that a variance from the polices contained therein would not detrimentally affect the other Owners, the Board may, in its discretion, grant an Owner a waiver of the Rental Ceiling for a temporary period not to exceed one (1) year. In the discretion of the Board, and on written application, this hardship exception may be extended for an additional period not to exceed one (1) year for good cause shown. A Unit rented under a hardship exception granted by the Board shall not be counted as a non-Owner occupied Unit for the purpose of determining whether a Rental would cause the number of non-Owner occupied Units to exceed the Rental Ceiling.
- h. Renting to a New Tenant. If a Tenant moves out of the Owner's Unit prior to the expiration of the Lease term or the Tenant and Owner do not renew the Lease at the expiration of the Lease term: (a) within seven (7) days after the Owner's Unit becomes unoccupied, the Owner must submit written notice to the Association that the Owner's Unit is unoccupied and that the Owner is seeking a new Tenant; and (b) within ninety (90) days after the Owner's Unit becomes unoccupied, the owner must submit to the Association a new proposed lease.
- i. Governing Documents to Be Provided to Tenants. Each Unit Owner who Rents or Leases a Unit shall provide that Tenant with a copy of the Declaration, Bylaws, and Use Rules.
- j. Authority to Adopt Use Rules for Rentals. The Board of Directors shall have the authority to adopt additional Use Rules relating to the renting or leasing of Units.
- k. Adult Family Homes. This Section 3.8.6 shall not apply to "adult family homes" as defined in RCW Chapter 70.128.
- l. Multi-Family Housing. This section 3.8.6 shall not apply to Owners of multi-family housing complexes where multiple separate housing units for residential inhabitants are contained within one building or several buildings within one complex, such as an apartment or condominium.
- m. Exemptions. It is the responsibility of any Owner eligible for an exemption under this Section 3.8.6 to inform the Association of such eligibility. Neither the Association nor any person acting on behalf of the Association shall be liable to any person for any damage, loss, or claim on account of any act, omission, error, or negligence related to or arising out of good-faith enforcement of this Section 3.8.6.

Signage. A Unit Owner may maintain one (1) sign advertising a Unit for rent.