

**Fairwood West Homeowners' Association**  
**RULES & REGULATIONS**  
**REGARDING RENTAL OF HOMES/TENANTS**

The following written Rules and Restrictions are adopted in order to maintain and foster the market values within our development. These rules are intended to comply with all applicable federal, state, county, city laws and regulations; any conflict between the provisions herein shall be resolved in favor of the law. Further, these rules are intended to supplement the Fairwood West Covenants, Conditions and Restrictions (CC&R's) and/or any Bylaw provisions that address the topics set forth below; not to supplant or amend them. In the event of an inconsistency or conflict between these Rules and the CC&Rs or Bylaws of the Association, the CC&Rs and/or Bylaw provisions shall supersede and apply. In the event that any provision of this instrument shall be determined to be invalid or unenforceable by any Court of competent jurisdiction, such determination shall not affect the validity of any other provision herein.

- A. Introduction**- In the interest of protecting homeowners and their families, preserving property values and enhancing the quality of life within the community, the Association has developed a standard set of rules and procedures addressing the renting/leasing of homes within the community. The following material outlines the rules, requirements and responsibilities of homeowners wishing to rent or lease property within Fairwood West.
- B. FHA Statement - Nothing in this policy is intended to act to discriminate against any protected class, to wrongfully deprive anyone of housing or to violate any provision of the Fair Housing Act (FHA).**
- C. Definitions**-
1. **Association**- Fairwood West Homeowners Association
  2. **Rental(s)** - Any home/property within the Association that is rented, leased or occupied by residents other than the legal owner.
  3. **Landlord**- The legal owner that is leasing or renting their property.
  4. **Tenant**- The resident that is leasing or renting from the legal owner.
  5. **Future Homeowners**- Homeowners who purchase a property within Fairwood West after these rules and regulations are adopted.
- D. Association's Limits on Rental Units**- The Association sets a maximum rental cap of 15% (stated limit is based upon the current standards used by Fannie Mae and FHA lenders), which are 58 of the 385 homes within the community. This limit is set to meet mortgage market restrictions, to help insure that the best mortgage rates are available and to achieve the protections expressed in Section A. above. The limit also intends to prevent community deterioration due to too few owner-occupants residing in the community.
1. **Grandfather Clause**-
    - a. If the number of rentals is above the stated limit at the time this regulation was adopted, then the rental limit will be set at the number of current rentals at that time.
    - b. All homeowners of record on the date this policy takes effect may convert their property into a rental without regard to the stated rental cap. Such homeowners will still need to contact the Association in writing prior to converting their home into a rental.
    - c. Any future homeowners are fully subject to the rental cap.
    - d. New rentals will not be allowed unless the Association is under the stated limit.

2. **Conditions Applicable to the Grandfather Clause**

- a. At the time this policy goes into effect, current landlords must submit their mailing address, their phone number, a copy of the current rental agreement, the mailing address and phone number of their management company (if applicable), to the Association no later than 30 days after receipt of these Rules and Regulations.
- b. After the Association receives the above information, landlords will be sent a written confirmation of approval.
- c. All rentals must be in compliance with the terms and conditions set out in this Policy. Landlord owners have until the expiration date of their current written tenant lease agreement or up to one year from the date this policy becomes effective, whichever occurs first, to revise their Rental Agreements and the Tenant Standards to comply with these Rules and Regulations.
- d. If a landlord fails to comply with these Regulations, he will forfeit his rights to the Grandfather Clause and may be assessed fines as stated in the Landlord Standards for the event where the Association does not approve a rental.

The Board of Trustees has deliberated on the special issues posed by tenants/non-owners residing in the community. Tenants may not have full knowledge of and thus not be in compliance with the Declaration of Covenants, Conditions and Restrictions, and with the provisions of other governing documents including these Rules & Regulations. Experience and investigation has led to the conclusion that many owners and property managers are not providing copies of the Association's governing documents to prospective and actual tenants or even informing them that they exist. This causes confusion and inadvertent non-compliance by tenants. Problems are caused by this practice that can be easily avoided. Furthermore, some owners do not inform the Association when they are renting out their property, and/or do not provide the Association with any information about their tenants. The Association then experiences difficulty in communicating with owner and/or the tenant about questions or issues. Therefore, owners and their tenants must comply with the following Rules and Regulations when homes are rented:

**Rules and Regulations Regarding Rental of Homes**

All owners who rent or who are considering renting their home are subject to these Rules and Regulations. This condition also pertains to instances where the owner rents to a family member.

1. **No partial leasing of a home.** Partial leasing of a home is not permitted. To clarify, an owner cannot reside in his home while also leasing a portion of it to a third party. Changes in density, traffic, parking and noise are factors that can adversely impact the community. All are likely to occur when an owner engages in partial leasing of his home.

2. **Owner to provide governing documents to tenant.** At or prior to signing a lease agreement, the owner or owner's agent will provide to the tenant(s) copies of the Covenants Conditions and Restrictions, all Policies, Rules & Regulations of the Association (hereafter collectively referred to as the "governing documents"), and any amendments to them. [Copies of the governing documents may be obtained from the office of the Association at P. O. Box 58042, Renton, Washington 98058, or from its web site at [www.fairwoodcommunitynews.com](http://www.fairwoodcommunitynews.com) – click on the Fairwood West section]

3. **Required lease agreement/provisions.** All lease agreements must be in writing and be for a term of at least 6 months unless otherwise permitted in writing by the Association for special or exigent circumstances.

An owner intending to rent out his home will specifically include written provisions in the lease to be signed by tenant, which are binding on the tenant, his family members and his guests (hereafter collectively "tenant") specifically covering or providing for all the following:

- (a) That the tenant acknowledges being aware of all governing documents.
- (b) That the tenant understands and acknowledges that the tenant is fully subject to the governing documents and must comply with them in all respects.
- (c) That if the tenant fails to comply with any provisions of the governing documents it will be considered a material breach or default of the lease agreement, and this fact will be sufficient reason for eviction.

4. **Owner will provide tenant information to Association.** After a lease agreement is signed, the owner or the owner's property management agent will provide to the Association in writing:

- (a) Owner's correct residence address and home phone number.
- (b) A copy of the entire lease agreement.
- (c) The legal name of every tenant signing the lease agreement.
- (d) The home phone number of tenant and the work phone numbers of every tenant signing the lease agreement.
- (e) If consented to by tenant, the tenant's current email address.

All owners with existing leases/tenants are to comply with this Rule and provide this information to the Association within twenty (20) days from the date this Rule is mailed to them.

5. **Eviction of tenant for repeated non-compliance.** In the case of repeated, uncured violations of the governing documents by a tenant, where the Association has mailed at least three (3) notices of violation and request for compliance to tenant and owner and tenant has refused or otherwise failed to comply, the owner/member, upon written notice and request from the Association, will commence an eviction proceeding against the tenant and prosecute it to completion and eviction of that tenant.

6. **Existing leases.** All owners with an existing written lease agreement in place or tenant residing in their house must comply with all the provisions of this Rule at the time of renewal or extension of such lease or when they lease to another tenant, whichever occurs first. Owners who have rented out their house under a verbal agreement, or who have tenants in their home on a month to month basis due to their written term-lease agreement expiring and the tenant continues to live in and/or rent the house must comply within twenty (20) days from the date this Rule is mailed to them.

7. **Fines for non-compliance.**

- (a) If at any time a property is a rental without prior written approval, then the Association can assess violation fines of up to \$100 per month.
- (b) If at any time a property is found to not comply with any of these rules and regulations, then the Association can assess violation fines of up to \$100 per month.
- (c) If at any time any tenant or occupant of a Rental Unit violates or permits violations by his family members, guests and/or invitees of any provisions of the Association's governing documents, and such violations continue to occur or exist after reasonable notice to the tenant and Owner of such violations, the Board shall have the power and authority, on behalf of and at the expense of the Owner, to evict the tenant or occupant if the Owner fails to do so after written request for eviction is made by the Board. The Board shall have no liability to an

Owner or tenant for any eviction or enforcement actions undertaken or made in good faith. The Association shall have a lien against the Owner's Unit for any and all costs incurred by it in connection with such eviction, including reasonable attorney fees, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article X of the CCRs.

8. **Communication between HOA and Landlord**. All tenants will fully comply with these Rules and Regulations adopted by the association.

- (a) Tenants must communicate to the HOA through their landlord.
- (b) All tenant violations will be directed to the landlord in writing. The landlord must take action to resolve the violation with its tenant to avoid fines.
- (c) The landlord is responsible for the conduct of the tenant and the tenants guests and will be assessed any fines if the tenant is not in compliance with the CC&R's, By-Laws or Rules and Regulations.
- (d) It is the responsibility of the landlord to pay all fines on time or a lien will be filed on the property.
- (e) The landlord may assess these fines along to their tenant.
- (f) The Association may demand termination of these lease with multiple violations that result in fines.

This Rule is officially adopted by the Board of Trustees for and on behalf of the Fairwood West Homeowners' Association effective immediately as of

September 9, 2010.

Board of Directors:

*A.D. Ryneveld*

Print name: A.D. RYNEVELD

*Don Rystrom*

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*R. Elaine Diamond*

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