

**HI-TIDE CONDOMINIUM ASSOCIATION
RENTAL POLICY**

RECITALS

WHEREAS, the Board of Directors (“Board”) for the Hi-Tide Condominium Association (“HTCA” or “Association”) is responsible for the administration of the Hi-Tide Condominium;

WHEREAS, the Hi-Tide Condominium and the Association are subject to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hi-Tide (“Declaration”) and the Bylaws of Hi-Tide Condominium Association (“Bylaws”);

WHEREAS, Article XIX, Paragraph (d) of the Declaration provides: “Nothing shall be done or kept in any unit or common area that would increase the insurance rate on the common area, without prior written consent from the Board. Owners may not allow any activity or condition in their unit or the common area that would result in the cancellation of insurance or violate any law. Common areas must be kept clean and free of waste.”

WHEREAS, Article XIX, Paragraph (h) of the Declaration provides: “The Board may adopt rules regarding the above use limitations for both units and common areas. Owners must comply with all rules adopted by the Board, which will be furnished in writing.”

WHEREAS, Section 8.8.1 of the Bylaws provides: “Nothing shall be done or kept in any apartment or in the common area which will increase the rate of insurance on the common area or result in the cancellation of insurance on any unit or any part of the common area.”

WHEREAS, Section 8.8.2 of the Bylaws provides, in part: “An owner may allow his apartment to be leased or subleased for a period of one year or more only. [...] If the members form a partnership, association or aggregate group for the purpose of renting units on an organized basis, then a member may rent his unit for a period less than one year in accordance with the rules and procedures of the rental group.”

WHEREAS, RCW 64.34.304(1)(a) authorizes the board to “Adopt and amend bylaws, rules, and regulations.”

WHEREAS, Article XXIV, Paragraph (a) of the Declaration provides: “Each owner shall strictly comply with the provisions of this Declaration, the administrative rules and regulations, and

the bylaws enacted under this Declaration, as they may be lawfully amended from time to time. Owners are also required to comply with all decisions made pursuant to the Declaration, administrative rules, and regulations.”

WHEREAS, Section 1.2 of the Bylaws provides, in part: “All present or future owners...and occupants of apartments, and their guests and...tenants, future tenants, or any person using the facilities of the project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium apartments...in the project or the mere act of occupancy of any of said apartments shall constitute ratification of these Bylaws.”

WHEREAS, RCW 64.34.304(1)(k) authorizes the board to, “after notice and an opportunity to be heard by the board of directors or by such representative designated by the board of directors and in accordance with such procedures as provided in the declaration or bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule thereof adopted by the board of directors and furnished to the owners for violations of the declaration, bylaws, and rules and regulations of the association.”

WHEREAS, the Board has been advised that the policy of liability insurance obtained by the Association may be subject to cancellation, limitation, and/or denial of coverage for certain acts if rentals within the community do not conform to certain specified standards.

WHEREAS, as of the effective date of this Policy, the Association’s liability insurance expressly excludes coverage for rental activity within the Condominium.

NOW THEREFORE, the Board hereby adopts the following Rental Policy (“Policy”):

POLICY

1. Each apartment or portion thereof may be rented only in accordance with the terms and conditions of this Policy. Violation of this Policy may result in enforcement action in accordance with Paragraphs 8 and 9, below.

2. As used in this Policy, “rental” and “rent” refer to the granting of a right to use or occupy a unit or any portion thereof, for a specified term or indefinite term in exchange for rent or other valuable consideration. “Tenant” refers to the lessee, licensee, or guest in such arrangement. “Unit” and “apartment” are used interchangeably.

3. Each Owner who rents their unit is responsible for ensuring that the operation and use of the unit – including the activities of any tenant, and the tenant’s guests, family members, and invitees – comply with the Declaration, Bylaws, this Policy, and any other rules and regulations duly adopted by the Board (collectively, the “governing documents”).

4. All rentals and all rental activity must comply with all applicable federal, state, and local laws and regulations.

5. Rental activity must not be conducted in a manner that increases the cost or results in non-renewal or cancellation of insurance obtained and maintained by the Association.

6. Long-Term Rentals. Any rental with an initial rental period of at least one year is a “long-term rental” and must comply with this Paragraph.

- a. Prior to entering into a lease for a long-term rental, the Owner must submit the proposed lease to the Board and obtain written approval of the rental. The Board shall not unreasonably withhold approval of any proposed long-term rental that meets the requirements of the governing documents.
- b. At the time of application, and upon any subsequent request from the Board, the Owner must provide the following, and any other information reasonably requested:
 - i. Contact information for the tenant(s), including name(s) telephone number(s), and email address(es);
 - ii. Tenant’s vehicle information (if applicable);
 - iii. Proof of insurance required by this paragraph;
 - iv. Written certification that the tenant has received and agrees to comply with all governing documents.
- c. Upon approval of a long-term rental, the Owner will be assessed a long-term rental administration fee of \$100 or such other amount specified in a schedule of fees adopted by the Board. The purpose of the long-term rental fee is to defray the cost to the Association of the impact of long-term rentals.
- d. The Owner must obtain and maintain property and liability insurance, naming the Association as an additional insured, with at least the following

limits: property insurance with limits equal to the full replacement value of the Owner's unit; liability insurance with limits of at least \$1,000,000. The liability insurance must cover the long-term rental operation.

7. Short-Term Rentals.

- a. Any rental with an initial rental period of less than one year is a short-term rental and must comply with this Paragraph.
- b. As of the effective date of this Policy, the Bylaws provide that in order to rent a unit on a short-term basis, the Owner must comply with the rules and procedures of a "partnership, association or aggregate group" the purpose of which is "renting units on an organized basis." As of the effective date, there is one such group active in the Association.
- c. Owners are responsible for ensuring any rental group in which they are a member complies with this Policy. Membership in a rental group that does not comply with the terms and conditions of this Policy shall constitute a violation of this Policy.
- d. For each unit rented on a short-term basis, the unit will be assessed a short-term rental administrative fee of \$25 for each calendar month in which the unit is rented on a short-term basis, or such other amount specified in a schedule of fees adopted by the Board. The purpose of the short-term rental fee is to defray the cost to the Association of the impact of short-term rentals. The fee may be paid directly by the Owner or via a rental group of which the Owner is a member.
- e. Every unit used for a short-term rental must be covered by property insurance and liability insurance, naming the Association as an additional insured, with at least the following limits: property insurance with limits equal to the full replacement value of the Owner's unit; liability insurance with limits of at least \$1,000,000. The liability insurance must cover the short-term rental operation. The Owner must provide the Association proof of insurance upon request. The insurance required by this subparagraph may be maintained by the Owner, a rental group to which the Owner belongs, or some combination thereof.

8. Enforcement.

- a. The Association may take enforcement action against a unit for any violation of the governing documents, including this policy, related to rental activity in any manner authorized by the governing documents or applicable law, including but not limited to the assessment of fines and the prosecution of formal legal action.
- b. Prior to assessing any fine, the Board will provide the owner with notice and an opportunity to be heard. The notice will describe the nature of the violation, the provision of the governing documents violated, the amount of the proposed fine, and the owner’s right to a hearing. If the owner does not request a hearing by the deadline specified in the notice, the fine may be assessed without further notice.

9. Schedule of Fees and Fines.

| Fees | | | | |
|--|--|--|-------------------------------------|-------------------------------------|
| Long-Term Rental Administrative Fee | | \$100 per approved rental | | |
| Short-Term Rental Administrative Fee | | \$25 per calendar month in which rental occurs | | |
| Fines | | | | |
| Specific Fines | | | | |
| | | 1 st Notice of Violation | 2 nd Notice of Violation | 3 rd Notice of Violation |
| Unauthorized Long-Term Rental | | \$1,000/month | \$1,500/month | \$2,000/month |
| Unauthorized Short-Term Rental | | \$150/night | \$250/night | \$500/night |
| General Fines | | | | |
| Any violation of this Policy not otherwise specified | | \$150/occurrence | \$250/occurrence | \$500/occurrence |

*An “occurrence” includes any discrete activity or condition that constitutes a violation, meaning that each time the activity or condition is repeated is a separate occurrence. Additionally, for an activity or condition that is continuing in nature, each calendar day in which the activity or condition persists is a separate occurrence.

ADOPTED by the Boad of Directors of Directors of the Hi-Tide Condominium Association this
____ day of _____, 2026.

By: _____
President

Print Name: _____

Attest:

By: _____
Secretary

Print Name: _____

DRAFT