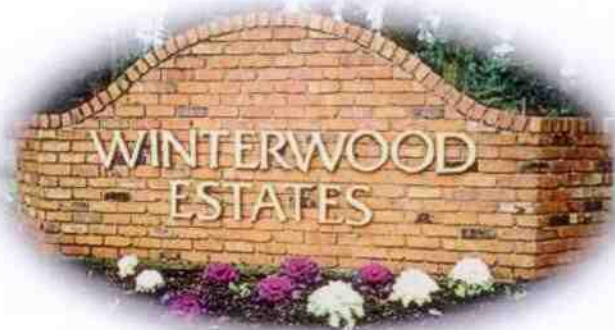


EXHIBIT "C"

WINTERWOOD ESTATES HOMEOWNER'S ASSOCIATION

RULES & REGULATIONS
REGARDING RENTAL OF HOMES / TENANTS



DRAFT

October 21, 2011

The following written Rules and Restrictions are adopted in order to maintain and foster the market value 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 Winterwood Estates Declaration of 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 the homeowner's and their families, preserving property values and enhancing the quality of life within the community, Winterwood Estates Homeowner's 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 their property within Winterwood Estates.
- B. FHA Statement:** Nothing in this policy is intended to act or 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:** Winterwood Estates Homeowner's Association.
 2. **Rental(s):** Any home or 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 Winterwood Estates after these rules and regulations are adopted.

The Board has deliberated on 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 and Regulations. Research 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 easily be 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. **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 7035, Covington, Washington 98042, or from its website at: winterwoodhoa@comcast.net.
2. **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. 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.
3. **Owner will provide tenant information of 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 the tenant and the work phone numbers of every tenant signing the lease agreement.
 - e) If consented to be 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.

4. **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.
5. **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.
6. **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 fees 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 or 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 property 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 5 of the Declaration of Covenants, Conditions and Restrictions.
7. **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 the lease with multiple violations that result in fines.

This Rule is officially adopted by the Board of Trustees for and on behalf of Winterwood Estates Homeowner's Association effective October ____, 2011.

Board of Directors:

President: Ralph Lentz

Vice President: Cindy Haueisen

Treasurer: Kathleen Dean

Secretary: Barbara Rom

CAM: Bob Oxborrow

ACC: Phil Boldman

ACC: Leif Engebo

DRAFT