

**HIGHLAND HILLS MAINTENANCE COMMISSION
Board of Trustees**

BOARD POLICY NO. 1-7

Dated: 5 Nov 2008

(Notice: This Policy supersedes all previous HHMC Board actions related to this subject.)

TITLE: RENTING OF HIGHLAND HILLS RESIDENCES

PRIMARY RESPONSIBILITY: Board of Trustees

REFERENCES:

- a) HHMC By-laws, Article V, Section 7
- b) HHMC Protective Covenants & Restrictions (“PC&Rs”) #1 and #7
- c) HHMC Board Policy 1-4: Fines for Violations

BACKGROUND:

Recent developments in real estate markets, including a lengthening of the period when homes are on the market pending sale, have led to an increase in the number of residences being rented to tenants.

Highland Hills owners are free to rent their residences to tenants provided the rental complies with Protective Covenants #1 and #7, i.e., provided the rented property is used only as a single family residence and that no business or commercial activity (including the arts, crafts or professions) is conducted at it.

Highland Hills tenants are subject to those of HHMC’s governing documents that relate to properties and conduct in Highland Hills. Unfortunately, owners do not always make their tenants aware of the need for compliance, or alert their tenants to particular governing documents that are likely to impact them, or see that their tenants have copies of the governing documents and are kept up to date with changes in them (either by providing them with copies and advising them of changes or, in the case of tenants who are internet users, by directing them to HHMC’s website). And because tenants are not members of HHMC, they do not receive HHMC’s monthly newsletter with its news of developments and timely notices of important dates such as traffic interruption dates.

In the event of non-compliance by a tenant, prompt correction may be hampered when HHMC is unaware that a residence is being rented or, even if aware, has no contact information for the tenant. Although owners who rent remain responsible for their tenants’ compliance, there are time delays involved in HHMC’s communicating with owners and through owners with tenants.

Responding to emergencies may also be hampered.

It has also been observed by commentators that many tenants do not feel any connection to the communities in which they rent, resulting in a lessened interest in the appearance of their rented properties and a potential impact on the market values of the communities' properties in general. The Board desires to increase Highland Hills' tenants feeling of connection to our community, by adding them to the distribution list for HHMC's monthly newsletter (but not for enclosures with the newsletter that constitute "Private HHMC Information" under Board Policy 1-6) and inviting them to our annual potlucks.

It should also be noted that, should HHMC determine to borrow money to finance roadwork or for some other common purpose, lenders may require disclosure of the number of Highland Hills residences that are rented. And HHMC currently has no method for obtaining that information.

In order to avoid unnecessary conflicts with renting owners and their tenants, expedite correction of tenants' violations of governing documents should they occur, promote tenants' sense of connection to our community and enable HHMC to provide information on the extent of rentals in our community should that be necessary, this Policy has been adopted.

PROCEDURE:

No Highland Hills property may be leased for a use that would violate, or may be used by a tenant in violation of, PC&R #1 or PCR #7.

Prior to renting a Highland Hills residence to a tenant, whether the lease is in writing or is oral, the owner of the residence shall:

- provide the tenant with a copy of the Tenant's Summary of HHMC Governing Documents attached to this Policy as Exhibit A
- if the property contains a "greenbelt," so advise the tenant and point out the boundaries of the greenbelt
- provide HHMC with the name of the tenant and the mailing address and telephone number for contacting the tenant during the term of the lease

At the conclusion of the lease, the owner of the residence shall promptly advise HHMC of such conclusion.

EXISTING LEASES:

Each owner whose residence is leased to a tenant on the date of this Policy must, within forty-five (45) days after the date of this Policy, take each of the actions listed above under "Procedure" as if the tenant were about to enter into the existing lease.

PENALTY:

Violation of this Policy will cause a property owner to be subject to penalty under Board Policy 1-4.

EXHIBIT A TO BOARD POLICY 1-7

TENANTS' SUMMARY OF HHMC GOVERNING DOCUMENTS

As a prospective renter of a residence in Highland Hills, you should be aware that Highland Hills properties, and personal conduct upon them, are subject to various restrictions contained in the governing documents of Highland Hills Maintenance Commission (“HHMC”): Protective Covenants & Restrictions (“PC&Rs”), Articles of Incorporation, By-laws and Board Policies. The owner of the property you are about to rent should have provided you with copies of the governing documents and should see that you are kept up to date with changes in them (or, if you are an internet user, should have advised you that the governing documents can be viewed at HHMC’s website: www.hhmcsequim.org).

Many of the restrictions contained in the governing documents will have little or no impact on you as a tenant, particularly if you will not be doing any site clearing or excavation, construction, building addition, erection of out-buildings, or cutting or removal of trees. If you are contemplating any of those activities, or if you have questions concerning the existence or meaning of a particular restriction, please contact an HHMC trustee. The names and contact information of HHMC’s trustees are contained in HHMC’s monthly newsletter, copies of which will be sent to you while you are renting in Highland Hills.

The restrictions most likely to be of interest to you as a tenant are the following:

Highland Hills properties may be used only for a single family residence purpose. (PC&R #1)
No business or commercial activity (including the arts, crafts or professions) is permitted. (PC&R #7)

No noxious or offensive activities may be carried on, nor may anything be done which may be or may become an annoyance or nuisance to the neighborhood. Motorized vehicles such as motorbikes and the like must be properly muffled and used only for transportation to and from Highland Hills. The shooting of firearms is prohibited. (PC&R #4)

No lot may be used as a dumping ground for rubbish, trash, garbage or other waste. (PC&R # 12)
All trash and waste must be kept in sanitary containers and located so as not to be visible from the common roadways. (PC&R #5)

No structure of a temporary nature, trailer, mobile home, basement, tent, shack, garage or similar structure may be occupied. (PC&R #6)

Parking on HHMC roads or roadsides, and the parking of recreational vehicles other than in garages, is regulated. Recreational vehicles include motor homes, travel trailers, campers, boats/boat trailers and all other utility trailers. (Board Policy 3-2)

The kinds, numbers and sizes of signs that may be posted are strictly limited. (Board Policy 3-4)

No animals, livestock or poultry of any kind are permitted, other than dogs, cats or other household pets not kept for commercial purposes. (PC&R #11)

With the exception of certain pre-approved items, fences and other man-made structures require prior approval from HHMC's Architectural Control Committee. (Board Policy 3-5)

Until January 1, 2009, outdoor burning of leaves, clippings, prunings and other yard and garden refuse is permitted but regulated. Such burning requires a permit from Clallam Fire District #3, advance notification of HHMC's Community Environment Committee, and compliance with the terms of the permit. No such burning is permitted at any time when a Clallam County "burn ban" is in effect. (Board Policy 3-6 as in effect until January 1, 2009)

Effective January 1, 2009, all outdoor burning is prohibited, with the exception of "recreational fires" and "weed-clearing spot burning" (each as defined in Board Policy 3-6 as effective January 1, 2009); and restrictions apply to each of the exceptions. Outdoor burning may be further prohibited by governmental authorities. You are responsible for determining the existence of, and for complying with, any such prohibitions. (Board Policy 3-6 effective January 1, 2009)

Cutting or severe trimming of trees generally may only be done with the approval of HHMC's Architectural Control Committee. There are limited exceptions. (Board Policy 3-7)

Many lots located along Highland Hills' outer boundaries include so-called "greenbelt" areas that extend inward from those boundaries. Subject to very limited exceptions, the prior approval of HHMC's Architectural Control Committee is required before any change may be made in the natural state of any greenbelt area or the vegetation growing there. (Board Policy 3-9) If the lot you are about to rent contains a greenbelt area, the owner should have advised you of it, and should have pointed out its boundaries.

HHMC is responsible for the maintenance of the roads within Highland Hills as well as the system of stormwater runoff ditches, culverts and detention basins that exists here. Generally, neither a roadside nor any part of the drainage system may be modified (whether by placing rocks or other material within or across any drainage ditch or otherwise), nor may an installation or landscaping within three feet of a roadway or within three feet of the slope of a drainage ditch be done, without the prior approval of HHMC's Architectural Control Committee. Prior to any cutting of our roads (for example, for utility connections), HHMC's Roads & Drainage Committee or President must be notified. (Board Policies 9-1 and 9-2)

HHMC Board of Trustees