

Renting or Leasing of Lots

1. No Lot or portion of a Lot may be rented without the written permission of the Board (Rental Approval) and the execution of a contractual agreement between the Member and tenant (Rental Agreement).
2. Members interested in renting their Lot or a portion thereof shall submit a written request of Rental Approval to the Board in such form as shall be determined by the Board. Once Rental Approval has been granted by the Board, the Member shall have ninety (90) days within which to rent the Lot. In the event the Lot is not rented within ninety (90) day period, Rental Approval shall automatically be revoked. Renting of a Lot within ninety (90) days of the granting of Rental Approval shall be deemed to occur if the Lot is occupied by a tenant within the 90-day period or if a written rental agreement is signed within the 90-day period and the term commences within 30 days of the signing of the rental agreement.
3. Request for Rental Approval shall be processed and approved in the order received by the Board. A Member who submits a written request for Rental Approval once the number of rental Lots reaches the maximum number permitted by Deer Run Protective Covenants (Rental Limitation) shall be placed on a waiting list. Each member who has rented their Lot shall promptly give written notice to the Board of any rental agreement termination and the intent by the Member to longer rent the Lot. The Member in the next available position on the waiting list shall be notified and provided an opportunity, as provided in numbered paragraph 2, to rent their Lot in accordance with the terms and conditions of this Rule. If that Member fails to accordingly rent their Lot, or advises the Board of their waiver of the right to seek to rent their Lot, then that Member's name shall be placed at the bottom the waiting list and the opportunity to rent shall then be offed to the next person on the waiting list.
4. A Lot shall be an approved rental lot if and only if the Member and Tenant have strictly complied with terms and conditions of this Rule. A Lot shall remain an approved rental Lot in the event the Member extends or renews an existing Rental Agreement or rents the Lot to a new Tenant in strict accordance with this Rule. In the event an approved rental lot is subsequently occupied by the Member, a Related Party as defined in the Deer Run Protective Covenants, persons not bound by a written Rental Agreement in strict accordance with this Rule for a period of thirty (30) days or more, or is the subject of a transfer other than an exempt transfer (as defined below), made by the Member to a new Member, the Lot shall be deemed to be an owner occupied Lot. Upon such occurrence, any previous Rental Approval shall be deemed revoked, and Member shall thereafter be required to reapply to the Board for Rental Approval in accordance with this Rule. For purposes of this Rule, exempt transfers are transfers that occur as a result of a gift by the Member to a Related Party or by a testamentary transfer from a Member to any person.
5. The Board shall have the right to permit exceptions to the Rental Limitation in connection with hardship cases that exist due to circumstances beyond the control the Member **including, but not limited to, (1) Member's employment is transferred out of the area but the member states they plan to eventually return to Poulsbo or (2) Member would suffer serious hardship by virtue of the Rental**

Limitation and the Board determines that an exception from the Rental Limitation would not detrimentally affect other Members or the quality of the single-family, owner-occupied neighborhood. The Board shall also have the authority, notwithstanding the Rental Limitation, to consent to the rental of a Lot, title to which is acquired following a default on a mortgage or Deed of Trust. The waiver of the Rental Limitation, in all instances, shall be for such a temporary period as may be determined by the Board in its sole discretion.

6. All Rental Agreements shall be in writing. A copy of the Rental Agreement and any amendments thereto executed by the Member and the tenant shall be delivered to DRCO before the tenancy commences.

7. Prior to signing any Rental Agreement, it shall be the responsibility of the Member to inform the prospective tenant of the tenants' responsibilities with respect to the Deer Run Protective Covenants and the Deer Run Community Organization Rules & Regulations. Current copies of the Protective Covenants and the Rules & Regulations are provided in the DRCO website www.drco.org.

8. The Board shall have and may exercise the same rights of enforcement and remedies against a Member for the breach of DRCO Protective Covenants and DRCO Rules & Regulations by the Member's tenant as it has against a Member occupied Lot.

9. If a Lot is rented by its Member, the Board may collect, and the tenant shall pay over to the Board, so much of the rent for such Lot as is required to pay any amounts due from the Member to DRCO plus interest, costs, litigation expenses and attorney's fees. The tenant shall not have the right to question payment of the Board and such payment will discharge the tenant's duty of payment to the Member for rent to the extent such rent is paid to DRCO. Such payment will not discharge the liability of the Member or purchaser of the Lot to DRCO. The Board shall not exercise this power where a receiver has been appointed with respect to the Lot or its Member, nor in derogation of any right which a mortgagee of such Lot may have with respect to such rents.