

# THE GREY GULL HOMEOWNERS' ASSOCIATION, INC.

## RENTAL AGREEMENT AND RULES AND REGULATIONS

THIS AGREEMENT is made as of the date below between the undersigned owners of a unit in The Grey Gull, a condominium-motel, hereafter designated "Board":

WITNESSETH:

Owner has purchased one of those certain condominium units in The Grey Gull, a condominium residential resort apartment-hotel/motel at Ocean Shores, Washington, and

The Owner (circle one) wishes/does not wish to enter into an agreement with The Grey Gull Homeowners' Association, Inc. and to participate in the "Rental Pool" established for such Owners, now, therefore,

IT IS AGREED:

1. The undersigned Owner hereby appoints The Board as his Agent, and Agent hereby accepts said appointment to rent his unit as a hotel/motel accommodation under the terms and conditions herein set forth.
2. Owner recognizes that other Owners in The Grey Gull will be invited to join this "Rental Pool" and that such action creates a joint-venture of all said condominium unit owners who may join this "Plan" and is in full agreement therewith.
3. The purpose of this joint-venture is to establish a means whereby the condominium unit Owner and others similarly situated may rent their units when available to members of the public as part of a hotel-motel operation.
4. The Board, or its designee, shall be authorized to collect rent.
5. The Board is the exclusive renter of Owner's unit and shall rent it only as a complete unit.

The Board shall charge the rents agreed as from time to time established by the Board for each type condominium apartment unit. Such rent schedules may from time to time be changed by The Board, providing only that all similar rentals in The Grey Gull shall be so changed.

6. Rents thus received shall be divided according to the Board's adopted policy. Rental distribution shall be based on both corporate ownership and each unit's actual transient rent. The Board has the right to modify such policy from time to time.
7. Owner shall not be restricted in his full occupancy of his unit, but shall be required to give six (6) months' notice, in writing, to assure that he may have access to his unit. It is requested that all Owners advise the Manager of the days that they wish to use their unit, particularly during prime time. This will assist the Manager in being able to book conventions.

8. From the Owner's Rental Pool, the Board shall pay all costs of the motel/condominium operation except those costs attributable to unit owners who do not participate in the Rental Pool. The level of costs of non-pool unit owners will be based on their share of operational and maintenance costs and will be reviewed and determined annually by the Board. The annual amount due from non-pool owners may be paid in monthly installments.
9. The Board shall render a statement of account quarterly to the Owner. The Board shall remit Rental Pool proceeds to the Owners annually. However, the Board shall maintain a sufficient surplus in the Rental Pool to meet all anticipated net operating expenses and obligations.
10. Owner shall furnish his condominium apartment unit, but shall be required and agrees to meet minimum standards established by the Board. The owner shall be responsible for repair and maintenance resulting from normal wear and tear on all furniture and carpet.

When in the opinion of the Board, repair or replacement of the above items are required, the Owners shall be notified as to the action necessary. If after a period of 45 days the Owner has not notified the Board of his intention to repair or replace the item, the Board shall then proceed with the repairs or replacement. The cost for such repairs or replacement shall be borne by the Owner and shall be paid within 45 days of receipt of the expenses. If the owner fails to repay the expenses within the 45 days, the board may pursue collection of the debt by any legal means available.

11. Owner shall be solely responsible for insurance against all loss sustained to personal property and furnishing in his unit. The Board shall purchase and maintain comprehensive fire and liability coverage on the building and premises.
12. Owners desiring to remove their unit from the rental pool must do so for a minimum period of one (1) year. Notification must be in writing and received by the Board at least six (6) months before the effective removal date. The owner's unit shall remain out of the Pool for that period of time unless the Board shall agree to place said unit back into the Rental Pool within a shorter period of time.
13. The Board shall be empowered to set rates for owner's occupancy at its discretion. These rates are to be based on total participation in the Rental Pool, 365 days per year.
14. The Board shall promulgate from time to time specific rules and regulations affecting Owner's use of his unit. Owner agrees to abide by and follow said rules and regulations. Owner acknowledges receipt of a copy of the current Rental Agreement and Regulations, as amended January 27, 2007.
15. The agency intended to be created hereby shall last for a minimum period of one (1) year, and shall be renewable for one year periods thereafter, upon the same terms and conditions set forth herein, or as modified by mutual agreement of the Board and the Owner.
16. The attached "Exhibit A, Furnishings Required in a Standard One-bedroom Unit", is incorporated herein by this reference.

17. If Owner decides to sell or transfer his unit, he must notify the Stock Transfer Agent of the sale and provide the Agent a copy of the Buy/Sell Agreement in order for him to properly transfer the stock and issue a new stock certificate. Costs of such stock transfer will be borne by the Owner/Seller and will be paid directly to the Stock Transfer Agent by the Owner.
18. At time of closing, a signed copy of the Rental Agreement and Rules and Regulations must be sent to the Manager of The Grey Gull at the current mailing address, for updating the ownership files.
19. The Board has right of first refusal for the sale or transfer of any unit, as stated in Article VII, Section 1, of the By-Laws.
20. Owner agrees to use his unit for personal usage only by owner, owner's children, owner's grandchildren or owner's parents.

IN WITNESS WHEREOF, this Agreement has been signed at

\_\_\_\_\_ , on this \_\_\_\_ day of \_\_\_\_\_.

Board of Directors of  
THE GREY GULL HOMEOWNERS' ASSOCIATION, INC.

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Owner (Spouse)

Owner of Unit No. \_\_\_\_\_

Revised: 01/27/2007

## **EXHIBIT "A"**

### FURNISHINGS REQUIRED IN A STANDARD ONE-BEDROOM UNIT:

#### **Furniture consisting of:**

- |                     |                     |                         |
|---------------------|---------------------|-------------------------|
| a) Hide-a-bed couch | e) Nightstands      | i) Bookcases (optional) |
| b) Chairs           | f) Chest of drawers | j) Dining table         |
| c) Coffee table     | g) Bed headboard    | k) Dining chairs        |
| d) End table        | h) Lamps            |                         |

Carpets  
Sound systems (optional) - radios; stereos; CD's  
Wall decorations, pictures  
Ceiling fan (optional)

**Common Items:** The following items shall be considered common unit items under this Rental Agreement and will be maintained or replaced as needed and treated as common operating expense:

#### **1. Kitchen:**

- |                 |                             |
|-----------------|-----------------------------|
| a) Microwave    | f) Flatware and linens      |
| b) Refrigerator | g) Kitchen utensils         |
| c) Stove        | h) Small appliances         |
| d) Dishwasher   | i) Cooking and serving pans |
| e) Disposal     |                             |

#### **2. Bathroom:**

- |                   |              |                |
|-------------------|--------------|----------------|
| a) Terry (towels) | c) Heat lamp | e) Hair dryer  |
| b) Shower curtain | d) Fan       | f) Night light |
| c) Light fixtures | e) Mirror    |                |

#### **3. Bedroom:**

- |                           |                |                            |
|---------------------------|----------------|----------------------------|
| a) Linens                 | d) Bedspreads  | g) Drapes/Window coverings |
| b) Bed springs & mattress | e) Wall heater |                            |
| c) Alarm clock            | f) TV/VCR      |                            |

#### **4. Living room:**

- |                            |               |
|----------------------------|---------------|
| a) Wall heaters            | c) TV/DVD     |
| b) Drapes/Window coverings | d) Spotlights |

The Board may add other items as they become standard for rental condominiums after consultation with the Owners at an annual meeting.

(12) **Motel Common Items** also include all furniture, appointments, decorations, etc., in all Common Areas of the motel.