



Dated Material - Action Required: Important Ballot Enclosed

Notice of MCCA Annual Meeting Wednesday, September 23rd, 2020 at 7pm (online)

Dear MCCA Resident,

The Mill Creek Community Association (MCCA) Board of Directors invites and encourages you to vote in the annual MCCA Board of Directors Election. This election selects your leadership team for the Mill Creek Community Association. The Board of Directors is responsible for setting the goals, project priorities, maintenance priorities, and budget for our community.

There are two ways to vote:

- Mail, or bring your completed ballot to the MCCA office (15524 Country Club Drive, Mill Creek, WA 98012) by 5pm on the day of the meeting (Wednesday, September 23rd). Your ballot will be cast by your proxy/representative; the MCCA Board Secretary, at the annual meeting **per your instructions**.
- Email your completed ballot (a good quality picture or scanned copy will be accepted) to info@mcca.info. Your emailed vote will be accepted until 9pm on Wednesday, September 23rd.

We encourage the membership to vote in this important election of the MCCA leadership team and for the proposed amendments to the Governing Documents. For the MCCA Board of Directors Election to be valid, MCCA Governing Documents require that a minimum of 10% of the Owners vote to achieve a quorum. A quorum is the minimum number of members that must cast their vote for an election to be legally binding.

Due to meeting restrictions related to the COVID-19 pandemic, this meeting will be held online. The meeting login will be emailed mid-September to members, posted on the MCCA website in the Announcements section, and posted on the MCCA calendar. Residents will be able to join the meeting by phone or computer.

The enclosed ballot invites you to cast your vote for the four (4) open board seats and for the Rental Restrictions which are proposed as an amendment to the MCCA Governing Documents. **You can find biographies for each board candidate in the August MillStream which is published on the MCCA website.** Go to www.mcca.info, click on "Millstream" in the top right corner, then click on "August MillStream". **This year we are also asking you to vote on proposed Rental Restrictions which are an amendment to our Governing Documents.** The proposed Rental Restrictions are enclosed.

Please contact the MCCA Office with any questions (info@mcca.info). I look forward to "seeing" you at the Annual Meeting on Wednesday, September 23rd at 7pm.

Sincerely,

Hilary Bublitz
Association Director
Mill Creek Community Association



Board of Directors Ballot

Use this ballot to vote for the Board members you wish to elect, voting on the proposed Rental Restrictions amendment to the MCCA Governing Documents, and validate the election by establishing a quorum of at least 10% of the MCCA membership. There are two ways to vote:

- Mail, or bring your completed ballot to the MCCA office secure drop box (15524 Country Club Drive, Mill Creek, WA 98012) by 5pm on the day of the meeting (Wednesday, September 23rd). Your ballot will be cast by your proxy/representative; the MCCA Board Secretary, at the annual meeting **per your instructions**.
- Email your completed ballot (a good quality picture or scanned copy will be accepted) to info@mcca.info. Your emailed vote will be accepted until 9pm on Wednesday, September 23rd.

Election of Directors

To vote, place an "X" next to the candidate's name. You may vote for the person listed or insert the name of a member in the "Other" (i.e., write in) section. **There are 4 open seats, and you may vote for 4 candidates.** You may use only 1 vote per candidate. You can read about each candidate in the August Millstream which is published on the MCCA website. Go to www.mcca.info, click on "Millstream" in the top right corner, then click on "August MillStream".

NAME OF CANDIDATE	NAME OF CANDIDATE	NAME OF CANDIDATE
<input type="checkbox"/> Stephen Anderson	<input type="checkbox"/> Jamie Teschlog	<input type="checkbox"/> Ron Smullin
<input type="checkbox"/> Kristi Zevenbergen	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:

Governing Documents Amendment – Rental Restrictions

Please read the proposed amendments to the MCCA Governing Documents titled "Proposed Rental Restrictions". To vote, place an "X" next to "Approve" or "Reject" below.

Approve Reject

Member Identification & Approval

By completing the information and signing below, I indicate that I am entitled to vote in the MCCA elections, and I appoint the Board Secretary as my proxy/representative to cast my ballot **as indicated above**. As my proxy/representative, the Board Secretary will ensure that my vote counts towards achieving quorum at the Annual Meeting. This proxy expires at the close of the 2020 MCCA Annual Meeting.

Member Signature _____ Member Name (Please Print) _____ Date _____

MCCA Address _____ MCCA Division _____ Lot # _____



Governing Documents Amendment

Background

The MCCA Board of Directors has heard from the Covenant Committee, our residents, and staff regarding issues related to rental and leased homes within our Association. The MCCA Governing Documents were first written in 1973 when many issues such as boarding houses, accessory dwelling units, Airbnb, and absentee landlords were not as prevalent as they are today.

The proposed new language regarding rental and leased homes within our Association will be an update for our Governing Documents. You will be asked to approve these amended rules and regulations as part of our Annual Meeting in September. Please review the **Rental Restrictions** enclosed.

In an effort to facilitate the monitoring of rentals, and to ensure that the owners and occupants of rental and leased units are aware of and follow our covenants, the MCCA Board and Association Director have worked with our attorney to update the **Rental Restrictions** in our Governing Documents. Before bringing these amendments to our membership for a vote, we also reached out to other HOAs, committee members, and the presidents of our sub-associations for their comments and concerns. Their input and the advice of our legal counsel have shaped the enclosed amendments that will be brought to our membership for a vote along with the MCCA Board Elections coming in September.

The MCCA Board of Directors believes that strong **Rental Restrictions** are important to protect property values and livability in the Mill Creek Community Association and recommends approval of these amendments.

Proposed Rental Restrictions

Article VII Section 7.1.10 of the Declaration of Restrictive Covenants shall be and hereby is replaced in its entirety to provide as follows:

Each Living Unit within the Association shall be used solely for residential purposes. This Section applies to all Living Units within the Mill Creek Community Association.

LEASE OR RENTAL OF LIVING UNITS – LIMITATION: The lease or rental of any Living Unit is governed by this Declaration, including this Section, the Bylaws and any applicable Rules and Regulations. As used herein, the lease or rental of any Living Unit and all provisions of the Section apply to all tenancies of any duration, all tenancies with an option to purchase, all tenancies with a first right of refusal, and all living arrangements in any way governed by the provision of RCW 59.18 – Washington Residential Landlord-Tenancy Act. The sublease or sub-rental of any portion of a Living Unit shall not be allowed, nor shall any Accessory Dwelling Unit (ADU) be allowed on the property. No Owner shall be allowed to lease or rent a Living Unit unless he/she/they have resided in the Living Unit for at least twelve (12) months prior to the leasing or renting of the Living Unit.

LEASE AND RENTAL AGREEMENT REQUIREMENTS: Any lease or rental agreement must be in writing and provide that its terms shall be subject in all respects to the provision of this Declaration, the Bylaws and the Rules and Regulations of the Association and that any failure by the Tenant to comply with the terms of such Governing Documents shall be a default under the lease or rental agreement. If any lease or rental agreement under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease or rental



agreement and binding upon the Owner and Tenant by reason of their being stated in this Declaration.

LEASE OR RENTAL ONLY OF THE ENTIRE LIVING UNIT – MINIMUM TERM REQUIRED: No person shall be permitted to lease or rent less than the entire Living Unit or otherwise permit a Living Unit to be **used as a boarding house, an Airbnb or similar short-term rental, a motel, and/or for short-term transient purposes.** Except as provided in this Section, every lease or rental shall be for a fixed initial term of not less than twelve (12) months.

OCCUPANCY BY A THIRD PARTY WITH LIVING UNIT OWNER: Occupancy of a Living Unit by a Third Party (e.g. domestic partner, roommate, care provider) shall not be considered a lease or rental of a Living Unit governed by this Section, provided that the Living Unit is also occupied by the Owner **and the intended usage is not for boarding house or Airbnb and similar short-term rental purposes.** The occupant(s) shall be Subject in all other applicable respects to the provisions of this Declaration, the Bylaws, and the Rules and Regulations of the Association.

OCCUPANCY BY A RELATED PARTY WITHOUT THE OWNER: A Living Unit occupied by a Related Party of the Owner, where the owner does not reside with the occupant, shall not be considered a leased or rented Living Unit if the Related Party is one who is related by blood, marriage, civil union, or adoption. Owners shall have the right to allow Related Parties to occupy their Living Unit in the absence of the Owner provided that the Living Unit **is not used for boarding house or Airbnb and similar short-term rental purposes, and the occupant(s) shall be subject in all other applicable respects to the provisions of this Declaration, the Bylaws, and the Rules and Regulations of the Association.** If the Related Party or Parties move out of the Living Unit and the Owner then wishes to lease or rent the Living Unit to an unrelated person(s), the Owner shall be subject in all other applicable respects to the provisions of this Section.

OBLIGATION OF THE OWNER – DELIVERY OF THE GOVERNING DOCUMENTS TO TENANTS: Prior to signing any lease or rental agreement, it shall be the responsibility of the Owner to deliver to the Tenant a copy of all MCCA Governing Documents, i.e. the Declaration (and all amendments), the Bylaws and the Rules and Regulations of the Association. If it is determined that the Owner has failed to provide copies of such documents to the Tenant, the Association may furnish a copy of the documents to the Tenant and charge the Owner a reasonable amount as determined by the Board, which charge will be collectible as a special assessment against the Living Unit and its Owner. It is also necessary for the Owner to notify the Association office within ten (10) calendar days of any new Tenant(s) and to provide all requested information including, but not limited to, a copy of the Lease or Rental Agreement.

OBLIGATION OF THE TENANT – MANAGEMENT OF THE PROPERTY: The Tenant is expected to manage the leased or rented Living Unit property according to and in compliance with the Rules, Regulations, and Restrictive Covenants of the Association. If for any reason, the Tenant fails to live up to their responsibility in the management of the Living Unit property, it is the responsibility of the Owner to correct the situation. This includes, but is not limited to, regular yard maintenance, upkeep of the Living Unit, removal of any clutter surrounding the premises, proper conduct and respect for neighbors, removal of trash totes on time, and adherence to local noise restrictions.



VIOLATION OF GOVERNING DOCUMENTS BY TENANTS: The Association shall have and may exercise the same rights of enforcement and remedies for breach of the Governing Documents against a Tenant, as it has against an Owner. If the violation reoccurs, the Board shall have the authority, on behalf and at the expense of the Owner, to terminate the tenancy and evict the Tenant (and all occupants) if the Owner fails to do so after notice from the Board and an opportunity for the Owner to be heard. The Board shall have no liability to an Owner or Tenant for any eviction made in good faith. Any costs (including reasonable attorneys' fees) incurred by the Association in connection with the exercise of its rights of enforcement and remedies herein, including any such eviction, shall be collectable as a special assessment against the Living Unit and the Owner.

EXISTING LEASES AND RENTALS: Living Units which are being leased or rented as of the effective date of this Amendment to the Declaration shall be deemed to be Approved Rental Living Units. Adult Family Homes are also deemed to be Approved Living Units when in full compliance with applicable law, including RCW Chapter 70.128. Nevertheless, the Owners and Tenants of such Rental Living Units and the leases and rental agreements used in connection with such Rental Living Units are governed by and shall be subject to all remaining terms and provisions of this Section. The Owner of any Living Unit leased or rented as of the effective date of this Amendment shall forward to the Board of Directors relevant Tenant information on a form supplied by the Association within thirty (30) days of the effective date of this Amendment.

HARDSHIP EXCEPTION: The Board of Directors shall have the right, in the exercise of discretion, to permit exceptions to the leasing and rental limitations in connection with hardship cases. Where the Board of Directors determines that a hardship exists due to circumstances, or where an Owner or sub-association would suffer serious harm by virtue of a leasing and rental limitation, and where the Board of Directors further determines that a variance from the leasing and rental limitation contained herein would not detrimentally affect other Owners or sub-associations, then the Board of Directors may, in its sole and absolute discretion, grant a waiver for such period as determined by the Board of Directors. Guidelines regarding hardship exceptions shall be set forth in Rules and Regulations adopted by the Board of Directors.

LEASE AND RENTAL PLEDGE: If a Living Unit is leased or rented, the rent money is hereby pledged and assigned to the Association as security for the payment of all Assessments due by that Owner to the Association. If the Assessments owed by the Owner of a leased or rented Living Unit are delinquent, the Board of Directors may collect, and the Tenant shall pay to the Board, the rent money for any Living Unit owed to the delinquent Owner, or that portion of rent money equal to the amount due to the Association. The Tenant shall not have the right to question the Board's demand for payment. Payment by the Tenant to the Association will satisfy and discharge the Tenant's duty of payment to the Owner for rent, to the extent of the amount paid to the Association.

RULES AND REGULATIONS: The Board of Directors may adopt Rules and Regulations in furtherance of the administration of this Section 7.1.10, which Rules and Regulations shall be effective upon publication to the Association and its members.

This Amendment to the Declaration shall take effect upon recording. The terms of this Amendment to the Declaration shall have control over and implicitly amend any inconsistent provision of the Declaration or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and affect.