

KINGSWOOD PLACE RULES REGARDING LEASING

The Board of Directors of Kingswood Place Condominium Association (the "Association") adopts these rules on the 16th day of October, 2019, effective immediately.

BACKGROUND

A. The Association is responsible for governance, maintenance and administration of Kingswood Place (the "Condominium").

B. The Association exists pursuant to the Michigan Condominium Act and the Michigan Nonprofit Corporation Act, as well as the Articles of Incorporation for the Association, the Amended and Restated Master Deed and the Condominium Bylaws (collectively, the "Condominium Documents").

C. The Michigan Condominium Act and the Condominium Documents (see Article VI, Section 11 of the Condominium Bylaws) authorize the Association's Board of Directors to adopt and enforce reasonable rules and regulations in the interest of the Condominium.

D. The Association's Board of Directors desires and intends to adopt reasonable rules governing leasing procedures in the Condominium.

The Association's Board of Directors adopts the following rules and regulations for the Condominium (the "Rules"), which are binding upon all Co-owners and their tenants, occupants, successors and assigns, and which supersede any previously adopted rules on the same subject matter:

1. Applicability of Condominium Bylaw Provisions. In addition to those leasing restrictions and conditions set forth in Article VI, Section 2 of the Condominium Bylaws, the leasing of Units shall conform to the following provisions:

2. Disclosure and Lease Form.

A. Disclosure. A Co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential tenant.

B. Lease Form. At the same time that the Co-owner discloses to the Association that they desire to lease their Unit, the Co-owner must supply the Association with a copy of the exact lease form for the Board's review so that the Board can confirm the lease form complies with the Condominium Documents.

3. Lease Addendum. Co-owners and tenants must comply with the following provisions prior to the commencement of any lease term or occupancy of a Unit by a tenant:

A. Execution of Lease Addendum. The Co-owner and any proposed tenant shall execute the Association's standard lease addendum (the "Addendum"), which Addendum will be provided by the Association to the Co-owner after the Co-owner submits a copy of the Co-owner's lease form and if the lease otherwise complies with the Condominium Documents as set forth in above.

B. Submittal of Lease Addendum. The Co-owner shall submit to the Association the fully executed Addendum along with a fully executed Lease.

4. Duration of Approval.

A. Requirements. Except for those Co-owners who were grandfathered under Article VI, Section 2(A)(2) of the Bylaws (as amended by the First Amendment to the Amended and Restated Master Deed), Co-owners receiving approval to lease (other than for a hardship exception) may continue to lease, except that if the tenant(s) vacate the Unit, the Co-owner shall have ninety (90) days from the date the tenant vacated to submit the documents required by this Rule and the Condominium Bylaws. Failure to submit the requisite documents within 90 days shall result in the revocation of the Co-owner's lease approval. Any Co-owner granted a hardship exception shall only be allowed to lease the Unit for the time period determined by the Board of Directors.

B. Waiting List and Notification. The Association shall maintain a waiting list of Co-owners desiring to lease their Units. Upon the occurrence of any of the following events: (i) the failure of a Co-owner to comply with this Rule or Article VI, Section 2 of the Condominium Bylaws; (ii) eviction of a tenant by the Association under MCL 559.212; (iii) sale, transfer or conveyance of the Unit by the Co-owner approved to lease (except to the Co-owner's revocable trust); or (iv) the Unit is no longer being leased, prepared for lease, or being held out or otherwise marketed for lease, the Association shall notify the next Co-owner on the waiting list of the opportunity to submit an application to lease under Section 2 above. The Co-owner shall have 30 days from the date of the notice, or such other reasonable period of time as determined in the sole discretion of the Board of Directors, to submit an application and all required documents. If that Co-owner fails to submit the completed application within the time provided, that opportunity to lease shall be rescinded, the Co-owner will be removed from the waiting list, and the Association shall notify the next Co-owner on the waiting list of the opportunity to submit a lease application in conformance with these Rules.

5. Applicability. This Rule shall be construed in conjunction with, and not in contravention of, the various provisions of the Condominium Documents.

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Respectfully submitted,
Board of Directors
Kingswood Place Condominium Association