

## **MOON LAKE CONDOMINIUM ASSOCIATION LEASING POLICY**

Adopted February 24, 2022; Effective March 1, 2022

The Board of Directors understands that some Co-owners may have a reason for wanting to rent their unit. The following rules have been adopted by the Board of Directors to maintain fair and consistent practices for the entire community.

1. **Lease Term Defined:** For the purpose of this policy the term "Rental Unit" shall refer to any unit where the owner of record does not occupy the Unit as a primary residence but allows any non-Co-Owner(s) to occupy the Unit, regardless if money or other considerations are being exchanged. Anyone residing in such a unit is defined as a "Tenant", whether or not they are paying rent or any other consideration, or are related to the owner.
2. **Lease Cap:** The total number of leased units in the Association shall not exceed 17 units
3. **Ownership Requirement:** Unit must be owner-occupied for at least three (3) consecutive full calendar years before leasing may occur.
4. **Initial Lease Term:** All leases shall be for a term of no less than one (1) year, including renewals to existing leases.
5. **Grandfather Provision:** Co-owners who had an approved lease on file with the Association prior to the effective date of the Amendments to the Master Deed (11/16/2017) and are following the leasing provisions of the documents shall be entitled to continue to lease his/her unit despite the above limitations on the number of units that may be rented. In the event of a sale or transfer of ownership of a Leased Unit, or in the event the Unit is no longer being leased or held out for lease, all automatic rights to lease that unit shall terminate and no further leasing of the unit shall take place without first obtaining the written approval of the Association.
6. **Subleasing:** No Co-owner shall lease less than an entire Unit. Subleasing of a Unit is not permitted under any circumstance.
7. **Transient Tenants:** Under no circumstances shall transient tenants be accommodated. For the purpose of this policy, a 'transient tenant' shall refer to any non-Co-Owner residing in a Unit for less than one (1) year wherein the owner of record does not reside there at the same time. No Short Term Rentals of any kind will be permitted under any circumstance.
8. **Co-Owner Contact Information:** Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and contact information, including phone numbers and email addresses. Both Co-owner and Tenant must fully complete and submit the Moon Lake Contact Information Form containing said information; this document must be on file with the Association at all times.

9. **Cost of Damages:** The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-Owner or Tenant in connection with the Unit. The Co-Owner shall be responsible for reimbursing the Association for all costs incurred in obtaining judicial enforcement of its rights, including actual attorney's fees.
10. **Loss of Rental Income:** The Association shall have absolutely no responsibility for obtaining insurance coverage or reimbursing a Co-owner for loss of rental income for any reason.
11. **Management Company:** If a Co-Owner hires a company for the purposes of managing their rental Unit, the Co-Owner must complete the Leasing Management Authorization Form; this form must be on file with the Association at all times in order for Management Company to discuss or receive details of Unit Account.

### **PROCEDURE FOR LEASING**

1. A Co-Owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least twenty-one (21) days before presenting a lease form to a potential lessee. At this time they shall also supply the Association with a copy of the Un-Signed lease form for its review for its compliance with the Condominium Documents.
2. The Co-Owner shall not sign a lease, occupancy agreement or any other residency contract prior to the Association approving in writing the submitted Un-Signed lease or agreement form for its compliance with the Condominium Documents.
3. Promptly following the execution of any approved Lease of a Unit, a true copy of the fully executed lease, the Association's official Lease Addendum, Contact Information Form, West Bloomfield Certificate of Rental Unit Compliance, and Lease Management Authorization Form (if applicable) shall be forwarded to the Association. All information must be clearly visible. If any information has been redacted the document as a whole will not be accepted. Current copies of all documents must be on file with the association at all times.

## **APPROVED LEASE REQUIREMENTS**

In order for a lease to be approved, a minimum of the following information/provisions must be included in the lease.

1. Full name and associated address of both the Co-Owner(s) and tenant(s).
2. Start and end date of lease. If lease will auto-renew or become a month to month lease it must be clearly stated.
3. Rental rate amount and terms.
4. Require the lessee to comply with the Condominium Documents.
5. Provide that failure to comply with the Condominium Documents constitutes a default under the lease. That after fifteen (15) days prior written notice to the Co-Owner, the Board of Directors has the power to evict the tenant and bill them for any money damages.
6. Shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.
7. When a Co-Owner has a delinquent balance to the Association, the Association may give written notice of the balance to the tenant. After receiving the notice, the tenant shall deduct said outstanding balance and future assessments as they come due from their rental payment that is normally due to the Co-Owner. This payment(s) should be made directly to the Association. This deduction shall not be a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent to the Association that is otherwise due to the Co-Owner, then the Association may (1) prohibit the tenant from utilizing any of the General Common Elements, (2) issue a statutory Notice To Quit for non-payment of rent, and/or (3) evict the tenant.

### **EXCEPTIONS TO LEASE LIMITATIONS**

1) The Board of Directors may approve the temporary leasing of a single Unit for not more than one (1) year, regardless of the above mentioned Lease Cap rental limitations if the following conditions are met:

- i) A Co-owner must relocate to a nursing home or similar facility.
- ii) A Co-owner must relocate for medical purposes (treatment, rehabilitation, or recuperation).
- iii) A Co-owner must relocate for employment purposes wherein their place of employment is farther than fifty (50) miles from their residence.
- iv) A Co-owner has been called to Active Duty in the US Military.
- v) Any objectively verified hardship related to the health of the Co-Owner.
- vi) The Co-Owner has died and the Personal Representative of the Estate or the Trustee of the Trust desires to lease or rent the unit during the administration of the Estate of the deceased Co-Owner.

### **ADMINISTRATIVE FEE**

1. A \$300 annual leasing administrative fee will be assessed to each registered rental Unit for reviewing, approving and monitoring lease transactions. The amount of this fee may be revised by a majority vote of the Board of Directors. All Co-Owners will be made aware of any change in this fee at least thirty (30) days in advance of it becoming effective.
2. Said administrative fee shall be due on the first of April of each year the Unit is registered as a Rental Unit regardless if there is a current active lease or if the Unit is being held out for lease. This fee will be charged on the first of April every year unless a written document formally surrendering Grandfathered Lease Rights is received no later than thirty (30) days before due date. This fee cannot be prorated or refunded.
3. Collection of the administrative fee shall be performed in the same manner as the collection of assessments.

**The Board of Directors reserves the right to review, modify and otherwise amend this rule as it determines appropriate.**