

**UNIT OWNERS ASSOCIATION OF  
MARKET STREET AT TOWN CENTER CONDOMINIUM  
Policy Resolution :11-14**

**Rules and Regulations Regarding Leasing of Units**

WHEREAS, Article III, Section 2 of the Bylaws provides that the Board of Directors (“Board”) of the Unit Owners Association of Market Street at Town Center Condominium (“Association”) shall have all of the powers necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Act, the Declaration or the Bylaws required to be exercised by the Association, including the adoption of rules and regulations; and

WHEREAS, Article XI, Section 1(f) of the Bylaws provides certain requirements for leasing Units within the Condominium and gives the Board the authority to suggest a standard form lease agreement; and

WHEREAS, the Unit Owners recently approved an Amendment to Article XI, Section 1(f) of the Bylaws to establish restrictions on the number of units that may be leased within the Condominium; and

WHEREAS, the Board has determined that it is necessary and prudent to adopt uniform procedures regarding the leasing of units.

NOW, THEREFORE, be it resolved that the following policy and procedures shall govern the leasing of Units within the Association, and shall replace and supersede all prior policies and procedures governing the leasing of Units within the Association, except this Policy Resolution shall supplement, but not replace, Policy Resolution 06-10, Leasing and Lease Addendum Requirements. The policy and procedures governing leasing of Units within the Association are:

**I. DEFINITIONS**

- A. “Tenant” refers to the lessee or lessees of the unit.
- B. “Unit(s)” refers to Residential Unit(s).
- C. “Unit Owner” refers to a Residential Unit Owner.
- D. “Hardship” is when a Unit Owner is able to demonstrate extenuating circumstances necessitating a temporary waiver of some or all of the Association’s leasing

restrictions, as determined by the Board of Directors in its reasonable discretion. Such circumstances may include, but are not limited to: (1) family situation and/or illness; (2) that their work has cause such person to be permanently transferred more than one hundred twenty (120) miles from the Condominium with less than six (6) months advanced notice; or (3) such person's work has temporarily reassigned such person to work more than one hundred twenty (120) miles from the Condominium.

## **II. NOTICE OF INTENT TO LEASE/RENT**

- A.** The Condominium's Managing Agent ("Management") shall maintain a list of all units currently leased or rented. The list shall include the unit number, the name and contact information of the Unit Owner, the name and contact information of the tenant(s), the lease term and the date the lease began.
- B.** Prior to leasing a Unit, a Unit Owner interested in leasing a Unit shall contact Management to obtain written verification as to whether the thirty-five percent (35%) leased unit quota has been reached.
- C.** Upon receipt of a request from a Unit Owner seeking verification as to whether the thirty-five percent (35%) leased unit quota ("cap") has been reached, Management shall review the Association's records and provide a written response within fourteen (14) days of its receipt of the request. Any request that does not comply with the provisions of the Bylaws and this Policy Resolution shall be rejected automatically without the need for Management to respond within fourteen (14) days of its receipt of the request.
- D.** If the thirty-five percent (35%) quota has been reached or surpassed, Management shall notify the requesting Unit Owner that the cap has been reached or surpassed and that the Unit Owner has been placed on a Waiting List as detailed, below.
- E.** Notwithstanding the provisions of this Section II, all Unit Owners of record as of April 7, 2014 shall have a right to rent their Unit regardless of whether the Association is at or over the cap, and are not required to comply with the provisions of Sections II, III, IV, V and VII. However, such Unit Owners are still required to comply with the provisions of Sections VIII, IX, X, and XI, below.
- F.** "Post-Settlement Occupancy Agreements" (i.e. seller rent-back agreements) in which the seller and purchaser agree to allow the seller to remain in the Unit for a set period of time following the settlement on the Unit, shall not be subject to the terms of this Policy Resolution, so long as the post-settlement occupancy does not exceed sixty (60) days. However, a copy of the Post-Settlement Occupancy Agreement must be submitted to Management prior to settlement.

### **III. REVIEW OF NOTICE OF INTENT TO LEASE/RENT**

- A. Upon receipt of verification that the thirty-five percent (35%) quota has not been reached, the Unit Owner shall have ninety (90) days, from the date Management or Board issues the written verification, to enter into and submit to the Management a valid lease, including the Association's standard form Lease Addendum, that complies with the terms of this Policy Resolution, Policy Resolution 06-10, and the Bylaws. If the Unit Owner fails to do so within the ninety (90) day time period, the Owner must submit a new request for written verification as to whether the thirty-five percent cap has been reached.
- B. The fourteen (14) day time period for written verification shall not apply to Unit Owners who have failed to submit the required documentation or to Unit Owners' whose requests, if approved, would exceed the maximum thirty-five percent (35%) of Units that may be leased at any one time.

### **IV. WAITING LIST**

- A. Upon receiving notice from Management that the thirty-five (35%) percent quota has been reached or surpassed, a Unit Owner shall be placed on a Waiting List. Unit Owners on the Waiting List will be permitted to lease their Unit to a tenant or lessee once the number of rentals within the Association is under the thirty-five percent (35%) cap, in the chronological order of their placement on the Waiting List, with the Unit Owner with the longest period on the Waiting List having highest priority right to lease their Unit.
- B. When a lease opportunity becomes available, the first eligible Unit Owner on the waiting list who is eligible shall be notified of the opening and shall have ten (10) days to confirm, in writing his or her intention to lease the Unit. Thereafter, the Unit Owner will have ninety (90) days to lease the Unit and submit a conforming lease and standard form lease addendum to the Association. Failure to submit written confirmation of the Unit Owner's intent to lease his or her Unit may, in the Board's discretion, result in the Unit Owner's forfeiture of his or her rights to lease the Unit, which shall result in the Unit automatically being removed from the Waiting List.
- C. Any Unit that was leased in compliance with this Policy and the Bylaws must remain leased for the entire lease term unless reoccupied by the Unit Owner or his or her immediate family as their residence. Should such Unit become vacant, the Unit will automatically be placed at the end of the Waiting List and it may not be rented again until the Unit reaches the top of the Waiting List and the Cap has not been exceeded.

- D. If a Unit is leased in accordance with the requirements of this Policy, the lease for such a Unit may be renewed by the existing tenant without the Unit Owner entering the Waiting List provided the Unit Owner provides the Association with a new written lease that complies with the requirements of this Policy within fourteen (14) days following the end of the prior rental term.

**V. REQUEST TO LEASE DUE TO HARDSHIP**

Once a Unit Owner is advised by Management that the Unit Owner has been placed on the Waiting List, the Unit Owner may request a hearing before the Board to establish that the Board should exercise its discretion to grant an exception and permit the Unit Owner to lease their unit due to Hardship. If a hearing is requested, Management shall set a hearing at the next regularly-scheduled meeting of the Board. At the hearing, the Board of Directors shall provide the Unit Owner with a reasonable amount of time to present any and all evidence of Hardship. The Unit Owner may have counsel present at the hearing.

**VI. RECORD KEEPING**

Management shall maintain a Waiting List of Unit Owners who desire to lease their Unit. Management shall:

- A. Keep records regarding the percentage of leased/rented units;
- B. Keep records regarding the mailing addresses of owners and telephone numbers of occupants, as provided by the Unit Owners;
- C. Keep records of all requests to lease/rent units and files containing the lease agreements provided by the Unit Owners; and
- D. Keep a Waiting List of all Unit Owners desiring to lease their units when the quota limitations are fulfilled. Unit Owners shall receive priority on the Waiting List according to the order in which their requests to lease their Units are received.

**VII. VACANCIES**

Any Unit approved for leasing may not be vacant for more than ninety (90) consecutive days at any time after approval. If any Unit approved for leasing is vacant for over ninety (90) consecutive days, the Unit Owner must submit a new request for written verification as to whether the thirty-five percent cap has been reached, and if it has been reached, the Unit Owner shall be placed at the bottom of the Waiting List.

## VIII. REQUIREMENTS OF THE OWNER

- A. Prior to execution of the lease, the Unit Owner must submit to Management a copy of the proposed lease and the Association's duly adopted Lease Addendum, which must comply with the provisions of this resolution and Policy Resolution 06-10, Leasing and Lease Addendum Requirements. In order to comply with the provisions of the proposed lease, the written lease and/or Lease Addendum must provide: (1) that any failure by the Tenant to comply with the Association's Declaration, Bylaws, Rules and Regulations or "Residents' Handbook" shall constitute a default under the lease, and (2) that the Board of Directors may require the Unit Owner to bring summary proceedings to evict the Tenant.
- B. Following approval of the lease, the Unit Owner must submit a signed copy of the lease and Lease Addendum to Management within fourteen (14) days of its execution. Key fobs providing access to the amenities of the Association and to the parking garage will not be issued to any tenants until a copy of the lease and Lease Addendum is provided to Management.
- C. The Unit Owner must provide a copy of the Association's documents, including the Declaration, Bylaws, Policy Resolutions and Rules and Regulations, to the Tenant prior to the Tenant taking possession of the Unit. All Tenants must be parties to the lease or otherwise identified in writing by the Owner to Management.
- D. The Unit Owner must provide the Association with the names and date of birth of all persons who shall occupy a Unit under a Lease.
- E. The Unit Owner must provide the Association with his or her off-site address and phone number for any period of time during which the Unit Owner does not occupy the Unit. The Unit Owner must update the Association of any changes in off-site address or phone number within ten (10) days of any change.
- F. The Unit Owner shall be jointly and severally liable with the Tenant for any damage to the Common Areas of the Association, and any related costs, including actual attorney's fees incurred (whether or not a suit is actually commenced in court), caused by the act, omission, neglect or carelessness of Tenant or that of Tenant's family, guests, invitees, licensees, employees or agents.
- G. All leases must be for a term of at least twelve (12) months. The premises shall not be used for hotel or transient purposes.

**IX. REQUIREMENTS OF THE TENANT**

- A. The lease and/or Lease Addendum must require the Tenant to abide by the Association's Declaration, Bylaws, Policy Resolutions and Rules and Regulations, which are incorporated within and deemed a part of the lease. In addition, the Tenant's family, friends, invitees, licensees, employees and agents are also bound by the Association's Declaration, Bylaws, Policy Resolutions, and Rules and Regulations.**
- B. Tenant shall not have the right to assign or sublet the premises or allow any other person to occupy the leased premises without the Association's prior written consent.**
- C. Tenant shall not make any material or structural alterations to the premises without the Unit Owner's and Association's prior written consent.**
- D. Tenant shall comply with all building, zoning, and health codes and other applicable laws for the use of said leased premises.**
- E. Tenant shall use the Unit as a residential dwelling and shall not conduct on the premises any activity deemed by Unit Owner or Association to be hazardous, a nuisance, or requiring an increase in fire or hazard insurance premiums.**
- F. Tenants shall occupy the Unit in accordance with all applicable laws governing the occupancy of residential dwellings and in accordance with the Association's occupancy policy.**
- G. The Tenant shall be jointly and severally liable with the Unit Owner to the Association for any damage to the Common Elements of the Association, and any related costs, including actual attorney's fees incurred (whether or not a suit is actually commenced in court), caused by the act, omission, neglect or carelessness of Tenant or that of Tenant's family, guests, invitees, licensees, employees or agents.**
- H. The Tenant shall defend, indemnify and hold harmless the Association from and against any claim, injury or damages, direct or indirect, including actual attorney's fees, incurred as a result of Tenant's occupancy of the Unit or from any noncompliance by Tenant with the provisions of the Association's Declaration, Bylaws, Policy Resolutions, and Rules and Regulations, or any other covenant of the Lease.**

**X. REMEDIES FOR NONCOMPLIANCE**

- A. If the Unit Owner fails to file a copy of the lease and/or the Lease Addendum with the Association within fourteen (14) days of the date of execution of the lease, the Association will notify the Unit Owner. The Association shall have the power to bring an enforcement action against the offending Unit Owner pursuant to its authority created by the Association's due process policy for the Unit Owner's failure to provide the required copy of lease, or take any other action available to the Association under Virginia law.
- B. If the Tenant violates any provision in the Association's Declaration, Bylaws, Policy Resolutions, Policy Resolutions, or Rules and Regulations, it shall be considered a default of the lease.
- C. Upon such violation, the Association shall send a certified letter, return receipt requested, to the Tenant and Unit Owner and the Tenant must cure all violations within thirty (30) days. The notice shall include a detailed factual basis on which the violation is grounded, specify what actions need to be taken by the tenant to avoid eviction, and must state that if the violations remain uncorrected after thirty (30) days, the Association will compel the Unit Owner to exercise its power to evict the Tenant.
- D. If the violation is not remedied within thirty (30) days, the Association shall issue a second notice of violation via certified mail, return receipt requested, giving the Tenant and the Unit Owner an opportunity for a hearing. The Tenant and Unit Owner's failure to request a hearing within the specified timeframe will constitute a waiver of their rights to a hearing.
- E. If the Association makes a final determination that the Tenant is in violation of the Association's governing documents, the Association shall send written correspondence to the Unit Owner requesting that the Unit Owner evict the Tenant ("Request to Evict") by certified-mail, return receipt requested.
- F. The Unit Owner shall bring proceedings to evict the Tenant in accordance with applicable Virginia law. The Unit Owner will hold harmless and indemnify the Association in the event the Unit Owner undertakes eviction proceedings and fails to comply with all applicable law.
- G. The Unit Owner's failure to bring eviction proceedings requested by the Board shall be deemed a violation of the Association's governing documents and shall subject Unit Owner to the Association's enforcement procedures as well as any other remedies available under Federal or Virginia law.

- H. Nothing set forth herein shall be deemed an election of remedies; accordingly, in addition to the enforcement mechanisms described in this policy, the Association reserves the right to pursue any and all enforcement options available at law or in equity against a Unit Owner or Tenant who violates any provision of this policy or the Association's governing documents.
- I. The Association shall have the power to bring a separate enforcement action against the offending Unit Owner pursuant to its authority created by the Association's due process policy.
- J. The Association shall hold Unit Owners responsible for any costs incurred by the Association in securing the eviction of a Tenant in the event the Unit Owner fails to evict a Tenant as required under this policy.

**XI. MISCELLANEOUS**

- A. The terms of this Policy shall not apply to Units occupied solely by the spouse, children, grandparents, grandchildren, and other lineal relatives of the Owner or beneficiaries of institutional owner of such Unit or trust owning such Unit, Units occupied by the beneficiary of an institutional owner of such Unit or trust owning such Unit, and Units owned by the Association or to an institutional Mortgagee in possession of a Unit as a result of foreclosure, judicial sale, power of sale or a proceeding in lieu of foreclosure.
- B. All Owners who wish to lease their unit after April 29, 2010, must use the Association's standard form Lease Addendum, in accordance with Policy Resolution 06-10. A copy of the Lease Addendum is attached hereto as Exhibit A. Failure to use the Association's standard form Lease Addendum will result in the Association pursuing enforcement action and rescission of such lease.

The effective date of this Resolution shall be \_\_\_\_\_, 2014.



