

# Market House Condominium Association

## Rule and Regulations Regarding Unit Rentals in Market House Condominium

The Board of Directors (the “Board”) of Market House Condominium Association (the “Association”) hereby adopts the following Rules and Regulations governing the rental of Units by Owners within Market House Condominium (the “Condominium”), hereafter called the “Rental Policy.” The Rental Policy is the result of (i) nuisance-related issues which have been deemed to interfere with the quiet enjoyment by the Owners and other residents of the Condominium of the Units, and (ii) damage to the Building caused by renters at the Condominium. This Rental Policy will be in effect on 12:01 am on 17 June 2011. Unless defined in this Rental Policy, the terms used in this Rental Policy shall have the meaning assigned to them in the Declaration of Condominium Number 222, Market House, a Condominium, as amended (collectively the “Declaration”). All of the Rules and Regulations of the Association (including, but not limited to, this Rental Policy) are referred to in this Rental Policy as the “Rules and Regulations.”

### **RENTAL POLICY**

Each Unit lease (the “Lease”), and each lease extension or renewal, must be in writing. Subject to Section 6.2(g) of the Declaration, the term of each Lease (whether the initial term or any extension or renewal term) shall not be less than 12 months.

No subletting of a Unit is allowed.

At least 30 days before the initial term of the Lease begins, and before any renter (the “Renter”) occupies the Unit pursuant to the Lease, the Owner shall provide to the Association (via the Association’s management company (the “Management Company”)) the following:

Copy of a professional Criminal Background Check on each prospective Renter, current as of at least seven days before it is submitted to the Association;

Copy of the signed and dated Lease, which the Association has the right to approve or reject within that 30-day period. If the Association rejects the Lease, it shall inform the Owner of the reason(s) for the rejection. If the Owner still intends to rent out the Unit, the Owner shall submit to the Association another version of the Lease. The Association shall then have 30 days after receiving that Lease to

approve or reject it. If the Association fails to timely approve or reject a Lease under this section b., then the relevant shall be deemed to be approved;

Copy of a document, as signed and dated by each Renter, indicating that each Renter has received copies of, read, understands, and agrees to abide by, the Association's policies, the Rules and Regulations, the Declaration, and the Association's Bylaws (the "Bylaws");

Date that each Renter will move into the Unit;

Written list of each pet that will occupy the Unit including:

The pet's name;

The type and breed of the pet (cat, bird, etc.);

Description of the pet (height, weight, coloring, identifying marks, age, etc.); and

Photograph of the pet.

The information in this section e. shall be updated, and provided in writing to the Association, as any such information changes from time to time;

Copy of verification from a veterinarian licensed in Minnesota that each said pet is current on all inoculations as of the date the verification is submitted to the Association (the Unit Owner shall provide to the Association, on an annual basis, a written verification from a veterinarian licensed in Minnesota that such inoculations are up to date);

A \$150.00 move-in fee to help offset expenses and administrative time incurred by the Association that may relate to the change in occupancy of the Unit; and

Renter contact information, in writing, to include the following:

- i. Name of each person who will occupy the Unit;
- ii. Each telephone number (cellular, land line, home, and work) for each such person;

- iii. Each e-mail address; and
- iv. The make, model, year, and current license plate number, of each vehicle to be used by each such person, if using the Association's parking lot.

The Owner will be charged a \$90.00 fee to re-key the Building entry system with a new phone for one Renter.

The Owner shall, at all times, keep with the Association (via the Management Company) a working copy of the Unit's front door key.

The Owner's key fob, and key for the Common Area doors (including the doors to the lobby, the vestibule, the stairwell, the trash/recycling room, and the party room doors), shall be given by the Owner to a Renter.

The Owner shall obtain and maintain, during all terms of the Lease, insurance covering casualties to the Unit (to the extent not covered by the Association's insurance), and covering the personal liability of the Owner and all occupants/Renters in the Unit. The Owner shall, at the inception of the Lease, provide to the Association (via the Management Company) certificates of all such insurance (issued by or on behalf of the insurers).

The Owner shall provide to, and continue to maintain with, the Association (via the Management Company), the Owner's contact information, including:

- a. The Owner's name;
- b. The Owner's mailing address and (if different) the address of the Owner where the Owner is residing;
- c. Each telephone number for the Owner (cellular, land line, home, and work);
- e. Emergency contact name and phone number(s); and
- f. Email address.

The Owner shall notify the Association (via the Management Company) the date that a Renter is moving out of the Unit, at least one week prior to that date. The Owner shall be charged a \$150.00 move-out fee to help offset expenses and administrative time incurred by the Association that may relate to the change in occupancy of the Unit.

The Owner shall provide a written update to the Association (via the Management Company) of any change to any of the information required to be provided by the Owner to the Association under this Rental Policy. Each such update shall be received by the Association from the Owner within seven days after such change.

The Owner shall remain responsible to the Association for all (i) violations of the Declaration, the Bylaws, the Rules and Regulations, and other policies established by the Association, committed by the Owner, by a Renter, or by any other person visiting or occupying the Unit, and (ii) fines and/or penalties imposed per the Rules and Regulations, the Declaration, the Bylaws, or the law. Nothing in the Rules and Regulations, or otherwise, shall be deemed to relieve the Owner of any other liability, responsibility, or obligation that the Owner has under the law, the Declaration, the Bylaws, the Rules and Regulations, and other policies established by the Association. Each Renter and other occupant and visitor of the Unit shall comply with the Declaration, the Bylaws, the Rules and Regulations, and other policies established by the Association.

Each Renter shall obtain and maintain insurance, during all terms of the Lease, insurance covering the personal liability of the Renter and covering the personal property of the Renter in the Unit. The Owner shall, at the inception of the Lease, provide to the Association (via the Management Company) certificates of all such insurance (issued by or on behalf of the insurers).

Notwithstanding all provisions of the Rules and Regulations, the Declaration, the Bylaws, and other policies established by the Association that govern the keeping of pets at the Condominium, no dog shall be kept in a Unit while the Unit is being rented or otherwise occupied by persons other than an Owner of the Unit; provided, that a Renter under a valid lease that was in existence as of the effective date of this Rental Policy may keep only one particular dog in the Unit if that dog was kept in the Unit on the effective date of this Rental Policy (and if that dog is otherwise allowed by the Rules and Regulations, and if that dog was otherwise approved by the Association), but subject to all other provisions of the Rules and Regulations, the Declaration, the Bylaws, and other policies established by the Association governing the keeping of pets in the Units.

Notwithstanding all provisions of the Rules and Regulations, the Declaration, the Bylaws, and other policies established by the Association that govern the keeping of pets at the Condominium, a handicapped/disabled Renter may (subject to the Renter meeting appropriate conditions required by the Association) be allowed to keep in the Unit a statutorily authorized "service animal" or "assistance animal" used by Renter, subject to

the relevant federal and Minnesota laws and regulations governing handicapped/disabled persons.

The Unit shall only be used for residential purposes. No business may be operated in a Unit without the prior written consent of the Association.

A Unit shall not be rented or leased for transient or hotel purposes (any occupancy which includes services customarily furnished to hotel guests, shall be presumed to be for transient or hotel purposes).

### **REPORTING OF VIOLATIONS**

Owners and other residents of the Condominium should make every reasonable effort to resolve differences between them, even if the basis of the differences is a violation of the Declaration, the Bylaws, or the Rules and Regulations. Nevertheless, an Owner or other resident of the Condominium may deliver to the Association (via the Management Company) a written complaint explaining the violation of the Declaration, the Bylaws, or the Rules and Regulations, stating the date and time of the violation, and providing the name or a description of the person who allegedly caused the violation. The violation will then be investigated by the Association or the Management Company.

### **FINES FOR VIOLATIONS**

Under the Bylaws and Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), the Board has the authority to impose reasonable fines for violations of the Declaration, the Bylaws, and the Rules and Regulations. Since this Rental Policy is part of the Rules and Regulations, and since violations of this Rental Policy by an Owner or a Renter could very well affect the quiet enjoyment of other Owners and residents at the Condominium, the Board has determined that more stringent action is required in the event of a violation of this Rental Policy. In addition, the Board reserves the right to pursue any other actions or remedies that are authorized by the Declaration, the Bylaws, other portions of the Rules and Regulations, and any relevant Minnesota laws.

The following guidelines will be followed by the Board in the event of a violation or violations of this Rental Policy (notwithstanding any other provisions in the Rules and Regulations governing the imposition of fines or other penalties):

1. **First violation:** A written notice of the violation is sent to the Owner (the "Violation Letter"). At that time, a fine of up to \$500.00 may, at the discretion of the Board, be imposed against the Owner.
2. **Second violation of this Rental Policy, within 12 months from the date of the Violation Letter:** A fine of up to \$150.00 for such second violation (in addition to the fines set forth in item 1, above).
3. **Third violation of this Rental Policy, within 12 months from the date of the Violation Letter:** A fine of up to \$250.00 for such third violation (in addition to the fines set forth in items 1 and 2, above).
4. **Fourth violation, and each subsequent violation, of this Rental Policy, within 12 months from the date of the Violation Letter:** A fine of up to \$500.00 for each such violation (in addition to the fines set forth in items 1, 2, and 3, above).

Any fines to be imposed by the Association may, at the discretion of the Board, be retroactive to the date of the violation. Daily, weekly, or other periodic, fines may be imposed for continuing violations.

All fines shall be due and payable by the Owner to the Association on the first day of the month following the date that the fines are imposed. At the discretion of the Board, the amount of the fines set forth above may be changed for one or more than one particular violation, given the circumstances surrounding the violation, whether the violator has a history of violations, or other relevant information.

#### **NOTICE OF A VIOLATION AND THE OPPORTUNITY TO BE HEARD**

In the case of the imposition of any fines for violations of this Rental Policy, the Board shall, upon written request of the Owner, grant to the Owner a hearing on the violation. The procedures for informing the Owner of a right to a hearing, the Owner's request for a hearing, and of the hearing itself, shall be as follows:

1. The Owner shall be given written notice of the nature of the violation and the right to a hearing, and at least 10 days within which to request a hearing in writing. The hearing shall be before the Board or, at the discretion of the Board, a committee (the "Committee") appointed by the Board and that is made up of at least three disinterested owners (some or all of the members of the Committee may, at the Board's discretion, be

members of the Board). The Owner's written request shall be mailed or hand delivered by the Owner to the Association (via the Management Company).

2. The hearing shall be scheduled by the Board and held within 30 days of receipt by the Association of the Owner's written hearing request, and with at least 10 days prior written notice to the Owner.
3. If the Owner fails to request, or to appear at, the hearing, then the right to a hearing shall be deemed waived by the Owner and the Board may impose the applicable fines and take all other action as it deems appropriate.
4. Hearings shall be conducted in a fair and equitable manner. The decision of the Board/Committee, and the rules for the conduct of hearings established by the Board/Committee, shall be final and binding on all parties. The decision of the Board/Committee shall be delivered in writing to the Owner within 10 days following the hearing, if not delivered to the Owner at the hearing.
5. Attendance at the hearing will be limited to the following persons: members of the Board/Committee, agents of the Association, the complainant (if any), the Owner, and any other persons who may have relevant evidence or testimony to offer. A person attending the hearing may elect to be represented by legal counsel. A Board member who has direct involvement in the alleged violation shall excuse himself or herself from the hearing process.
6. The time frames set forth above may be extended or reduced upon mutual agreement between the Owner and the Board/Committee. If the violation has created an emergency situation, a shorter notice period may be used.

#### **PERSONAL LIABILITY FOR FINES / LEVY OF FINES AS ASSESSMENTS**

Pursuant to the Act, each fine imposed by the Association against the Owner shall be the Owner's personal obligation to the Association and shall be a lien against the Owner's Unit in favor of the Association. The lien shall attach to the Unit as of the date the fine is imposed, but shall not be final until (i) the fine is affirmed in writing following the hearing referred to above (if applicable) or (ii) after the expiration of the time period within which the Owner could request a hearing but failed to do so (if applicable).

#### **ATTORNEY'S FEES AND COSTS**

Pursuant to the Act, the attorney's fees and costs incurred by the Association in connection with the enforcement of the Rules and Regulations against the Owner may be assessed against the Owner's Unit. In addition, those attorney's fees and costs are the Owner's personal liability to the Association, and shall be a lien against the Owner's Unit in favor of the Association. A lien against the Unit for fines, penalties, attorney's fees, and costs may be foreclosed in the same manner as a lien against a Unit for other unpaid assessments, as provided by Minnesota law.

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