



MORELAND COURTS
Sophisticated Living in an Architectural Landmark

POLICY AND PROCEDURE FOR HARDSHIP LEASES

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A. POLICY ON HARDSHIP LEASES

1. Statement of Policy

- a. Moreland Courts Condominium is and is intended to remain an owner-occupied community. While affirming this position, the Board recognizes that certain circumstances may necessitate a Unit Owner entering into a “hardship” lease for a minimum of 12 months and a maximum of 24 months. This policy reflects the Association’s interest in financial stability, avoiding fee and assessment defaults, and other relevant considerations. Prior to allowing a tenant access, the Owner must notify the Board of their intent to utilize their one-time hardship exception and meet all the other requirements as provided in Declaration Article III, Section (B)(12)(b).
- b. Twelve-month extensions beyond this one time 24-month period are permitted only with written approval of the Board under conditions set forth in Article III section B(12)(b) of the Declaration and this Policy.

- c. No more than a total of thirty (30) units can be leased at any given time.

2. Exceptions

Three circumstances do not require a hardship lease:

- a. When a Unit is occupied by a member of an Owner's family, as defined in Article III, Section B (12)(a)(i), there is no requirement the family member enter into a lease;
- b. When a unit is owned by a corporation, trust, partnership, or other entity, trustees or Owners have the right to a one-time appointment of one designated person or family entitled to use the Unit without entering into a lease. Any subsequent designees require Board approval and fulfillment of requirements set forth in the Declaration, Article III, Section B(12)(a)(ii);
- c. When the Association owns a Unit, no lease is required.

B. RULES AND PROCEDURES APPLICABLE TO HARDSHIP LEASES

1. General

- a. A Unit Owner may enter into a one-time hardship lease for his/her Unit for a maximum cumulative total of up to but not more than 24 months, subject to the conditions in this Policy and other governing documents that are applicable.
- b. A Unit Owner who is more than 30 days delinquent in payment of any assessments or fees is prohibited from leasing their Unit without prior written Board approval.
- c. Advertising or leasing a unit for any lease term of less than 12 consecutive months is prohibited.
- d. Any Owner who is more than 30 days delinquent in payment of any assessments or fees is prohibited from advertising their unit for lease without prior written Board approval.
- e. If an Owner has previously entered into a one-time hardship lease, the Owner is prohibited from advertising their Unit for lease without first obtaining written Board approval for an additional hardship.
- f. The Board reserves the right to prohibit hardship leasing by Owners who transfer a unit back and forth between family members or legal entities for the purpose of subverting the intent of the lease restriction.

2. Definitions

- a. “Lease” includes leases, licenses, sub-leases, rentals, or any arrangement in which the Owner permits another person to occupy the Owner’s Unit when the Owner does not also occupy the Unit.
- b. “Shall” means an obligation and is synonymous with “must”.
- c. “Specific Hardship Circumstances” are circumstances which reasonably prevent the Unit Owner from occupying their unit or which require leasing of the Unit to avoid a financial hardship that will result in the nonpayment of assessments to the Association. The term “Specific Hardship Circumstances” includes unanticipated special situations, practical difficulties, or other undue hardship, as stated in the Declaration, Article III, Section B(12)(b). Such circumstances may include but are not limited to:
 - i. Job loss or relocation,
 - ii. Death of a spouse,
 - iii. Divorce
 - iv. Military deployment,
 - v. Illness.

3. Requirements For Obtaining a Hardship Lease

Unit Owners wishing to enter into a hardship lease for their Unit must do all of the following:

- a. Notify Management of the Unit Owner’s immediate intent to find a tenant to lease their Unit for not less than 12 months and either of the following:
 - i. The Unit Owner’s intent to live in the Unit or to have a family member live in the Unit but Specific Hardship Circumstances prevent the Unit Owner from doing so at the present time, or
 - ii. The Unit Owner’s intent to sell their Unit but Specific Hardship Circumstances prevent them from doing so at the present time.
- b. The Unit Owner shall use the Association’s required leasing form, a copy of which shall be delivered to the Management for approval.
- c. The Unit Owner shall obtain a security deposit from the prospective tenant which shall be held in escrow by Management and shall be returned to the Owner less any damages, fees, and costs incurred by the Association within 14 days after the conclusion of the tenancy.
- d. Provide Management with proof of current insurance against major structural damage.

4. Required Content of Hardship Leases

The MCCA Lease Form shall be used as the standard lease agreement for all leases. The Unit Owner may supplement conditions to this Lease Agreement, but shall not subtract, or otherwise modify, the existing language and form. In all cases, MCCA Governing Documents prevail.

All Hardship Leases shall include the following provisions:

- a. The tenant shall comply with all covenants and restrictions of the MCCA Declaration and By-laws, as well as the Policies and Rules of the MCCA (hereafter referred to as MCCA Governing Documents).
- b. Any enforcement assessment levied against the Unit Owner for any act of the tenant or the tenant's occupants, family members, or guests shall be billed to the Unit Owner's account.
- c. The Unit Owner shall promptly notify tenant in writing, with a copy of said notice delivered to the Management, of any changes to the MCCA Governing Documents, and the tenant is obligated to comply with any changes.
- d. The tenant shall acknowledge receipt of the MCCA Governing Documents and acknowledge the tenant's agreement to abide by them. Signature of the lease agreement shall be evidence of tenant's agreement to abide by the MCCA Governing Documents and any subsequent changes thereto.
- e. The Unit Owner shall ensure that insurance requirements are met for the Unit being leased.
- f. The tenant shall make arrangements with MCCA Management for parking in accordance with MCCA rules and shall pay MCCA any parking fees directly.
- g. Default on any Association monthly fee or assessment by the Unit Owner shall allow the Association to receive tenant's lease payments in place of the Unit Owner or to take enforcement action to enjoin, abate, or remedy, including the eviction and removal of tenant from the Premises.
- h. No more than two persons per bedroom shall reside in the Unit. Reside means living more than 30 days out of any 12-month period. Any person 36 months of age or younger is not counted towards this restriction.

5. Tenant Access

Before a tenant will be granted access, the following information shall be submitted to the MCCA Management Office:

- a. A copy of the notarized Lease Agreement that satisfies all the terms of this policy.
- b. A completed copy of the New Unit Owner/Resident Information form (available in the Management Office).
- c. A completed copy of the MCCA Moving Agreement.
- d. An MCCA Parking Garage Registration, if applicable.
- e. Acknowledgement of Unit Owner Responsibility form (available from Management).

6. Review by the General Manager

If the General Manager has identified deficiencies in meeting the requirements for a hardship lease, the General Manager shall notify the Unit Owner of the deficiencies in writing. The tenant shall not be granted access unless and until the deficiencies have been corrected. The General Manager shall notify the Board of Directors in writing of all applications for a hardship lease and the reasons for approval or denial of each application.

C. EXTENSION OF HARDSHIP LEASES

1. General

- a. The Board may, in its sole discretion, approve one or more 12-month extensions of a Hardship Lease beyond the initial 24-month period.
- b. An extension is permitted only if the Unit Owner demonstrates Specific Hardship Circumstances continued Specific Hardship Circumstances, along with their reasonable efforts to cure their Specific Hardship Circumstances.
- c. The written request for extension shall be supported by information set forth in this rule and by such additional documentation as the Board may require in its sole discretion.
- d. The Board can set a maximum limit on the number of extensions to be granted to any Unit Owner regardless of the circumstances or reason.

2. Application to Extend a Hardship Lease

Any Unit Owner applying to extend a hardship lease beyond 24 months shall provide the following not less than 60 days prior to expiration of the then current lease:

- a. A letter detailing their situation with proof of Specific Hardship Circumstances, as defined in section B.2.c.
- b. Any supporting information or documentation that will corroborate clear financial hardship, as requested by the Association.
- c. All financial information submitted to Management will be kept strictly confidential and will be reviewed only by the General Manager and the MCCA Board Treasurer. They will make a recommendation to the Board.

3. Limitations on Extensions of Hardship Leases

- a. The Board's approval to extend an opportunity to lease shall be rescinded if the Unit subject to the extension is not leased within six months after the date of approval.
- b. A Unit Owner who becomes delinquent in any Association financial obligations may lose Board approval of an extension of a Hardship Lease. A new application may be submitted once all Association assessments, fees, and costs are paid in full.
- c. A Unit whose occupants have violated the Rules or Declaration restrictions may lose their approval of the Hardship Lease extension.

D. RIGHT TO REVISE POLICY

The MCCA Board of Directors may revise this policy at any time in the future, at its discretion, with due written notice to Unit Owners. Any revisions shall be consistent with the intent to preserve Moreland Courts as an owner-occupied community.