

**UPDATED AND AMENDED RULES REGARDING LEASING AND NON-OWNER
OCCUPIED UNITS AT MARLOWE CONDOMINIUMS**

General

An Owner desiring to lease such Owner's Unit shall comply with the Rules and Regulations provided herein. The lease of a Unit is subject to the Board's review as to compliance with these Rules.

The Association shall maintain a current list of leased Units and the commencement and expiration dates of such leases. Up to, but not more than, thirty percent (30%) of the Units in the Building may be leased for occupancy by tenants at any given time.

A Unit Owner is responsible for his/her occupants' compliance with the Governing Documents and all policies and procedures of Marlowe.

Upon leasing a Unit, a Unit Owner assigns his/her rights to use the common areas, parking garage, and amenities of the Marlowe to the occupant. A Unit Owner shall not have the right to use the common areas, parking garage, and amenities while his/her Unit is leased.

Occupation by any other party shall be deemed Non-owner occupied. In the event of a Non-Owner Occupied Unit, a Unit Owner shall be deemed to have assigned his/her rights to use the common areas, parking garage, and amenities of the Marlowe to the occupant. A Unit Owner shall not have the right to use the common areas, parking garage, and amenities while his/her Unit is occupied by a Non-Owner occupant.

Limitation on Number of Leases Permitted

- Leasing of Units is limited to thirty percent (30%) of the total number of Units in the Condominium. This percentage represents twenty-eight (28) of a total of ninety-four (94) Units. Of the thirty percent (30%) limit on rental units, five percent (5%) or five (5) units will be reserved for hardship situations.
- To facilitate the leasing limitation, the Board shall maintain a Leased Unit Registry to monitor the leased status of Units at Marlowe Condominiums.
- The Leased Unit Registry will include a list of Owner-Occupied Units.
- The Leased Unit Registry will be compiled as follows:
 - o Owner-Occupied Units will not count towards the 30% limit. The status of Owner-Occupied Units is not static and can change based upon the planned use of the Unit.
 - o Leased Units will count towards the 30% limit. Leased Units are Units occupied by a non-Owner under a lease agreement or, in the absence of a lease agreement, occupied by a non-Owner who, in the opinion of the Board, constitutes a tenant.
- After the percentage of Units being leased within the Condominium reaches thirty percent (30%), no additional leases will be approved until current leases are terminated or leased Units are released from the lease.
- A Unit Owner may apply to the Board in writing for a hardship lease approval where the provisions of the Governing Documents, including the leasing limitation in this Policy, pose a

hardship upon the Unit Owner. The Board shall have the authority to issue or deny requests for hardship lease in its sole and absolute discretion after considering the following factors:

- the nature, degree and likely duration of the hardship;
- the Unit Owner's ability to cure the hardship;
- whether previous hardship lease requests have been submitted by the Unit Owner; and
- the harm, if any, which will result at Marlowe if a hardship lease request is approved.

- The Board may, at its sole and absolute discretion, grant hardship waivers based upon the circumstances provided and the granting of a request in one instance shall not obligate the Board to grant a similar request.
- The issuance of approval for a hardship lease request may be conditional.
- A hardship lease request may be revoked upon ninety (90) days notice.
- Notwithstanding the foregoing, at no time may over 30% of the Units be leased. If the 30% limit is reached, a Unit Owner will not be granted the right to lease under any circumstances.

Approval of Leases Required

- Any Unit Owner who intends to lease a Unit must first send a written request to the Board. A request must also be sent for each new lease and for new occupants added to a lease.
- Written requests by a Unit Owner to lease a Unit will be reviewed on a first come, first served basis.
- The Board has up to five (5) business days to notify the Unit Owner whether their request to lease their unit has been accepted or denied.
- If the maximum 30% of total leased Units has not been reached, and if another Unit Owner is not on the Waiting List (see below), then the Unit Owner's request will be granted.
- If the request is denied, the Unit Owner is not allowed to lease their Unit. The Marlowe BOD will provide an explanation of denial.
- If the request to lease is granted, then the Unit Owner has sixty (60) days to provide Management with the following: 1) the Marlowe application to lease by a perspective tenant(s), 2) proposed TAR lease, 3) any other required documentation, and 4) a non-refundable \$1,000.00 application fee for the first applicant and \$500.00 for each additional applicant and/or unit occupant. If the lease applicant is a current unit owner, the non-refundable application fee will be reduced to \$300.00 for the first applicant and \$200.00 for each additional applicant and/or unit occupant (Management will provide the available methods of payment). The application fee is a non-refundable fee which is used for costs incurred in administering the leasing processing, engaging the services of a professional firm specializing in thorough background reporting, etc. This process typically takes 3 to 5 business days but may take up to 10 business days.
- **Unit Owners bear sole responsibility for ensuring the information provided by a perspective tenant, including all unit occupants, is accurate, correct and verified. Unit Owners are required to verify all forms of identification submitted for perspective tenants. A Unit Owner who allows for submission of false information by a perspective tenant on two (2) or more occasions may be banned from leasing his/her/its Unit for a period of two (2) years. In addition, the Association may require payment of additional application or administrative fees not to exceed \$500.00 to verify the accuracy of a perspective tenant or unit resident's information if the Unit Owner is unable to sufficiently do so.**

- A Unit Owner who intentionally or knowingly facilitates the submission of false information by a perspective tenant shall be prohibited from renting his/her Unit in the future.
- After sixty (60) days if the Unit Owner has not secured a tenant, the request to lease is expired, and the Unit Owner must submit a new request to lease as outlined above.
- Upon confirmation from Management of receipt of 1) the Marlowe application, 2) proposed TAR lease, 3) any other documentation required by perspective tenant/occupant, 4) the results of the background check, and 5) the non-refundable application fee(s), the Board then has up to 7 business days to approve or deny the lease. Note: if a lease or application to lease is approved by the Board that indicates the tenant has a dog(s), a non-refundable pet application fee of \$500 per dog will be due prior to move-in.
- No lease agreements will be valid until and unless the Board approves the lease in writing prior to the Unit Owner entering into the lease.
- If a leased Unit is sold to a new Unit Owner and a current lease is in place, then the current lease will be honored until the expiration of the current lease agreement. However, the new Unit Owner will be required to send a written request to the Board for approval or denial prior to listing the Unit for lease or renewing/extending the lease.
- All Unit Owners must provide an executed copy of the lease agreement to the Board, prior to tenant move-in.
- All Unit Owners must notify the Board when a lease is up for renewal, extension, or is terminated. See Renewal of a Lease section below.
- All Unit Owners must notify the Board of any updates, modifications, or changes to their lease agreements, which may require approval by the Board.

Waiting List

- If the maximum lease percentage has been reached, a Unit Owner can send a written request to the Board to be placed on the Waiting List.
- Unit Owners will be placed on the Waiting List on a first come, first served basis. The order of the Waiting List will be based on the time and the date the request is received by the Board.
- A Unit Owner will only be placed on the Waiting List if current on all Association dues and any applicable fines and/or fees.
- If any Unit Owner becomes thirty (30) days late on any Association dues, any applicable fines, and/or fees, the Unit Owner will be removed from the Waiting List and must resubmit another written request to the Board. If the Board approves the request, then the Unit Owner will be moved to the bottom of the Waiting List. Financial hardship exceptions to this rule will be reviewed and approved/denied by the Board in its sole and absolute discretion.
- Once the currently leased Units fall below the maximum lease percentage, the first Unit Owner on the Waiting List will be notified they are approved to lease their Unit. The Unit Owner will have three (3) days to confirm they still want to and intend to lease their unit. The Unit Owner will then have sixty (60) days to secure a tenant and go through the lease approval process outlined above. After sixty (60) days if a tenant is not secured, the approval to lease their Unit expires and the next Unit Owner on the Waiting List will be notified of the same process.
- If a Unit Owner is not able to provide to the Board an application to lease, proposed written lease, all required documentation, and the non-refundable application fee within sixty (60) days of approval to lease, then the right to lease terminates.

Criteria for Denial of a Tenant or Occupant

- All occupants of Units including, but not limited to, proposed Unit Owners, tenants, Non-Owner Occupants, and long-term guests, must submit to the Association an Information Form which includes sufficient information to identify the contact information of said individual as well as information sufficient to conduct a background check as provided below.
- **Unit Owners bear sole responsibility for ensuring the information provided by a perspective tenant, including all unit occupants, is accurate, correct and verified. Unit Owners are required to verify all forms of identification submitted for perspective tenants. A Unit Owner who allows for submission of false information by a perspective tenant on two (2) or more occasions may be banned from leasing his/her/its Unit for a period of two (2) years. In addition, the Association may require payment of additional application or administrative fees not to exceed \$500.00 to verify the accuracy of a perspective tenant or unit resident's information if the Unit Owner is unable to sufficiently do so.**
 - o A Unit Owner who intentionally or knowingly facilitates the submission of false information by a perspective tenant shall be prohibited from renting his/her Unit in the future.
- When a background check is required for occupants other than proposed tenants (see Marlowe Background Check Policy), the Unit Owner must pay a non-refundable \$200.00 fee per occupant which is used for engaging the services of a professional firm specializing in thorough background reporting. This process typically takes 3 to 5 business days but may take up to 10 business days.
- An applicant to lease or occupant will be denied the right to lease and reside at the Marlowe (and such individual will not be permitted to reside in the Marlowe and will be required to vacate the Marlowe immediately if found to be in violation of this criteria) if the results of his/her criminal background check contain information that shows as follows:
 - o The applicant, tenant, or occupant has ever been convicted, placed on deferred adjudication, or plead nolo contendere for an offense that would require the individual to register as a sex offender;
 - o The applicant, tenant, or occupant has been convicted, placed on deferred adjudication, or plead nolo contendere for a drug related felony offenses in the prior ten-year period.
 - o The applicant, tenant, or occupant has ever been convicted, placed on deferred adjudication, or plead nolo contendere for a felony involving domestic violence, physical assault or battery, cruelty to animals, theft, possession of stolen goods, bodily injury or threats of bodily injury, weapons, or destruction of property;
 - o The applicant, tenant, or occupant has been convicted, placed on deferred adjudication, or plead nolo contendere to a misdemeanor involving the distribution of a controlled substance, violence of another or destruction of property during the prior ten-year period.
 - o The applicant, tenant, or occupant is a fugitive from justice;
 - o The applicant, tenant, or occupant has a current protective order or no contact order issued against him/her;
 - o The applicant, tenant, or occupant is currently under indictment for a disqualifying offense listed above;
 - o The applicant, tenant, or occupant is charged with a disqualifying offense listed above and the case is still pending. An applicant, tenant, or occupant may be reconsidered if the applicant is exonerated of all charges; and

- The applicant or tenant for a lease has been a defendant, at any time during the last ten years, in any eviction or forcible entry and detainer action where a judgment was entered by the court awarding possession to the landlord.
- Any individual with a criminal background that fails the criteria above shall refrain from leasing and residing at a Unit at the Marlowe.
- All time restrictions for felony convictions are calculated from the last to occur date of release from the prison system following incarceration or the conclusion of the applicant's supervised release or probation.
- All time restrictions for eviction or forcible entry and detainer actions are calculated from the date judgment is rendered against the applicant in favor of the landlord filing such action.

Provision of Fraudulent Information:

- The Association retains the right, in its sole discretion, to request more than one (1) form of identification for an applicant. Additional forms of identification include, but are not limited to, passports, ID cards, birth certificates, etc.
- If an applicant submits a fake or altered driver's license or other form of identification, the applicant will be barred from renting at Marlowe Condominiums and the application will be immediately denied.
- If an applicant provides any false or misleading information to the Association on an Information Form or any of the documents submitted with the request to lease, the applicant will be barred from renting at Marlowe Condominiums and the application will be immediately denied.
- If it is found that a tenant living within a Unit provided false identification during the application process, such tenant will be considered a squatter and must be immediately removed from the complex by the Unit Owner. If the Unit Owner fails to immediately commence eviction proceedings, the Association may do so at the cost of the Unit Owner. If the Association is forced to commence eviction due to a Unit Owner's lack of cooperation, the Unit Owner shall be prohibited from renting his/her Unit for a period of two (2) years.
- **The Association retains the right to pursue criminal charges against any applicant or tenant providing false identification.**

Termination of a Lease

- A Unit will be approved for lease for the term of the lease agreement. If the lease is terminated for any reason, the permission to lease also terminates. The term of permission to lease ends when the actual lease agreement ends, even if terminated due to the tenant/occupant's breach or an agreement of the parties.
- After termination of a lease, the Unit Owner must submit a written request to the Board for approval or denial to lease the Unit to a new tenant/occupant.

Renewal of a Lease

- A Unit Owner must submit a new written request to the Board for approval at least 30 days before a previously approved lease agreement is scheduled to renew.
- The renewing lease agreement must have the identical active tenant/occupant(s) and pet(s) as the original lease agreement.

- The Unit Owner must pay a non-refundable \$200.00 fee per occupant which is used for engaging the services of a professional firm specializing in thorough background reporting to conduct a criminal background check. This process typically takes 3 to 5 business days but may take up to 10 business days.
- A renewing lease agreement that complies with the provisions of these Rules, clears the background check, and has not received more than two (2) Tier 1 policy violation fines (see Marlowe Fine Policy) during the previous lease term receives an automatic approval without relegation to the Waiting List.
- Lease renewals or extensions for tenants who received a Tier 2 or 3 policy violation fine will not be approved for renewal or extension.
- The new lease agreement must be for a minimum of twelve (12) months and a signed copy must be provided to the Board prior to commencement of the new lease start date. Failure to provide the Board a request for renewal and a copy of the renewed lease agreement will require the Unit Owner to resubmit an application to lease.

Term of Lease Agreements

- The minimum lease term for all lease agreements is twelve (12) months.
- The maximum lease term for all lease agreements is twenty-four (24) months.
- Month-to-Month leases after the end of the term of a lease agreement must be approved by the Board in advance. The Board may grant or withhold approval, in its sole and absolute discretion and without setting precedence. Month-to-Month leases are only allowed for a maximum of four (4) months.

Fines and Violations

Failure to abide by the rules of this policy will result in fines levied against the unit owner in accordance with the Marlowe Fine Policy. Any remedy, repair, replacement, and/or cleaning costs required to any Marlowe common area or limited common area caused by a resident, their guest, or contractor will be billed to the unit owner plus administrative fees of 10% of the total costs.

Delinquent Payments to Association

By entering into any lease, the Owner of the Unit acknowledges and agrees that, at any time such Owner is delinquent with respect to payment of any assessments or other charges due to the Association, the Association may require that rent due under such lease for the amount owed to the Association be paid directly to the Association for application toward such delinquent amounts. Each Owner is responsible for notifying potential tenants of this provision and each lease must contain written notice to tenants of this provision.

Advertising Units for Lease & Levy of Fines for Short-Term Rentals

- All on-line rental listings, including on sites such as Airbnb, VRBO, Homeaway, etc., must clearly state that each lease must be for a term no less than one (1) year.
- If an advertisement which violates the Rule above is found, the Owner of the Unit will be fined \$100.00 a week until the listing is removed.
- An Owner who rents his/her/their Unit for a period less than one (1) year may be fined:

- \$1,500.00 per violation. If a violation is not promptly cured, the Board may fine the owner \$1,000.00 per day until the short-term rental ceases.
- During "Special Events", including advertising for Special Events, fines for violation of the rules above will be tripled.
 - Special Events include, but are not limited to, major sporting events, including the Super Bowl, World Series, NBA Championships, All-Star Games, and NCAA tournaments, Houston marathon, rodeo, festivals, concerts, and similarly related events.
- Owners must accompany guests in recreational areas during Special Events.