

MEADOW CREEK CONDOMINIUMS

Statement of Policy as of September 1, 2007

SALES & RENTAL: Renting of Units by Individual Owners

Policy:

A member of the Association, who rents out a unit owned by him or her, must comply with the following requirements:

1. Rental Information

- a. The member must complete and forward to the Association office the Association's Rental Information form (the required form is included as an exhibit at the end of this booklet, and a supply of the form may be obtained by calling the Association office) when requested by the Association.
- b. The member must also complete and forward the form to the Association office each time a lease is signed with a new renter.

2. Form of Lease

- a. The member must use the standard form of lease required by the Association unless permission is otherwise granted by the Association.
- b. The Association currently requires that members use the standard lease of the Minnesota Multi Housing Association (MMHA) along with the Addendum to Residential Lease: Crime Free Multi-Housing and Prohibition of Disorderly Behavior.
- c. Permission may be granted by the Association to use another form of lease.
 - i. Permission must be obtained in writing and in advance of use of the lease, and the Association may refuse its permission to use any proposed form of lease at its sole discretion.
 - ii. However, the Addendum to Residential Lease: Crime Free Multi-Housing must be used with all leases.
- d. The member must include a provision in the lease which allows representatives or agents of the Association to enter the unit at reasonable times with notice, or to enter the unit at anytime without notice in an emergency.

3. Screening Requirements.

- a. The member must carefully screen each prospective adult renter based on their rental history.
 - i. The member must get a reference from, at a minimum, each prospective renter's current and most recent prior landlord in writing.
 - ii. References from the two most recent prior landlords is preferred.
 - iii. The references must clearly indicate that each prospective renter has a history of not disturbing neighbors, damaging property or violating management policies.
- b. Because disturbance of neighbors by renters is the most significant resident problem at Meadow Creek, the member is to explicitly question current and prior landlords about this issue. In

pursuing this issue, the member is to specifically check on whether there is a record of disturbing neighbors with loud music and/or disruptive parties.

- c. The member must follow a procedure for verifying that the references are legitimate and not the fabrications of unauthorized third parties. There are established rental application investigation agencies which obtain and verify rental references. The Association can provide a list of such agencies.
 - d. The member must not rent to prospective renters who cannot provide verifiable rental references.
 - e. The member must also conduct a criminal background check on each prospective adult renter. The criminal background check must include the following:
 - i. A statewide (Minnesota) criminal history check covering at least the last seven years and utilizing the most recent update of the state criminal history files;
 - ii. A statewide criminal history check from any state other than Minnesota in which the prospective renter has lived during at least the last seven years;
 - iii. A criminal history check for the prospective renter for all eleven counties in the metro Twin Cities area (Hennepin, Ramsey, Anoka, Carver, Dakota, Scott, Washington, Wright, Sherburne, Isanti and Chisago) covering at least the last seven years and including all misdemeanor, gross misdemeanor and felony convictions.
 - f. It is suggested that the member also screen each prospective adult renter based on their credit history and on their current employment.
 - g. Copies of all screening records must be kept and must be provided to the Association upon request.
 - h. In addition, when taking an application from a prospective renter, the member must have each applicant sign a Renter Screening Authorization form (the required form is included as an exhibit at the end of this booklet, and a supply of the form may be obtained by calling the Association office).
 - i. If there is later a problem with a renter, and the member cannot provide the Association with a properly signed Renter Screening Authorization form for the renter, a fine of \$100 will automatically be assessed.
4. Communication of Association Policies
 - a. The member is responsible for communicating all Association policies to the member's renter or renters.
 - b. The member is also responsible for ensuring that the member's renter(s) comply with all Association policies.
5. Policy Enforcement for "Problem Renters"
 - a. If the renter of a member becomes a problem, it is the responsibility of the member either to promptly resolve the problem or to promptly evict the renter.

- b. The Association will forward to the owner any complaints the Association office receives regarding any renter of the owner. However, it is the responsibility of the owner to follow up on the complaints and to talk with the neighbors of the renter in order to determine how widespread the complaints are and how best to resolve them.
6. Hopkins Rental License
 - a. Any unit, which is occupied by a renter, must be licensed by the City of Hopkins.
 - b. A renter is defined as someone other than an immediate relative of the unit owner: husband, wife, father, mother, son, daughter, brother, sister, grandson, granddaughter, grandfather or grandmother.
7. Immediate Relative

While an immediate relative is not considered a renter, Sections 1., 4. and 5. above still apply.

Violations:

1. RENTAL INFORMATION: Failure to complete and forward the "Rental Information" form at the specific request of the Association will result in a \$100 fine.
2. STANDARD LEASE: Failure to use the standard form of lease required by the Association (or another form of lease for which prior written approval has been obtained from the Association) along with the Addendum will result in a \$100 fine for each instance in which the standard form of lease and the Addendum should have been used.
3. SCREENING: Penalty for Inadequate Screening.
 - a. Given that quality renters are one of the most important factors governing the success of the Association, the Association will also assess a \$250 fine against any owner and his/her unit if the unit is rented, there are problems with the renter, and inadequate screening was done in processing the renter's application.
 - b. When problems develop with a renter, the Association may request copies of the unit owner's records on the screening which was done before the unit was rented. If a review of these records reveals that an inadequate job was done of screening the renter, the Association will assess the \$250 fine against the owner.
 - c. If the owner cannot or will not produce any records indicating that the renter was properly screened, the \$500 fine will automatically be assessed.
 - d. When problems develop with a renter, the Association may also request a copy of the unit owner's records on the criminal background check which was done before the unit was rented. If a review of these records reveals that the criminal background check did not comply with the requirements of Section 3e. above, the Association will assess a \$500 fine against the owner.
 - e. If the owner cannot or will not produce any records documenting that the required criminal background check was done, the \$500 fine will automatically be assessed.
 - f. If an owner feels that this policy is being applied to him/her in an unfair or inappropriate manner, the owner may appeal the matter to the Board of Directors.

- g. An owner can make such an appeal either by writing a letter to the Board stating his/her case, or by appearing at a regular monthly meeting of the Board and presenting his/her case in person to the Board.
4. POLICY ENFORCEMENT for "Problem Renters"
- a. If in the judgment of the Association's property manager, an owner is not taking appropriate steps to deal with problems caused by a resident to whom the owner has rented his/her unit, management will begin assessing the owner a fine of \$10 per day. The fine will accrue on a daily basis until such time as the Association's property manager is satisfied with the steps the owner is taking to deal with the problems caused by his/her renter.
 - b. If an owner feels that this policy is being applied to him/her in an unfair or inappropriate manner, the owner may appeal the matter to the Board of Directors. An owner can make such an appeal either by writing a letter to the Board stating his/her case, or by appearing at a regular monthly meeting of the Board and presenting his/her case in person to the Board.

Comments:

1. The required MMHA lease may be obtained from the Association office.
2. The Crime Free Multi-Housing Addendum is included as an exhibit at the end of this booklet, and a supply of the form may be obtained by calling the Association office