

RULES AND REGULATIONS REGARDING LEASING AND TENANTS
(These Rules supersede and replace all prior Rules regarding leasing)

SUBJECT: The adoption of Rules and Regulations regarding leasing, rental and tenant screening.

PURPOSE: To provide an orderly method for the Association to achieve standards pursuant to which all Association members will be better able to own, maintain, and enjoy their properties; to better promote the recreation, health, safety and welfare of the residents of the properties subject to the Declaration; and to generally assist the Association in preserving and enhancing the values of the homes subject to the Declaration.

AUTHORITY: The Amended and Restated Declaration for Town and Country Village Townhomes as recorded in the real property records of Douglas County on September 2, 2004, at Reception No. 2004091833 ("Declaration"), the Association's Bylaws, Articles of Incorporation, and Colorado law.

EFFECTIVE DATE:

June 1, 2018

RESOLUTION: In furtherance of the above-stated purposes, the Board hereby adopts the following rules and regulations:

A. LEASING, RENTAL AND TENANT SCREENING RULES AND REGULATIONS

1) Owners are Responsible for Tenants. "Tenant" is defined as including any occupant of the Property other than the Owner by any person not on title to the property, including family members, roommates or others, whether or not they pay any rent to the Owner.

2) Responsibility for a positive experience with Tenants in the Community rests with the Owner of each leased Lot. Owners are responsible for the behavior of their Tenants. In order to preserve the character of the Community, the leasing of Lots shall be governed by these Rules and Regulations.

3) Rule Restricting Leasing Without Prior Tenant Screening. Owners desiring to lease their Lots may do so only if they have screened and qualified the prospective Tenant. Screening services are available through third party vendors, such as the Colorado Bureau of Investigation. Except as provided, the leasing or rentals of Lots shall be prohibited.

- 4) "Lease" or "Leasing" Definition for these Rules. Any "Lease" or act of "Leasing," for purposes of these Rules, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner.
- 5) Required Components of Screening/Tenant Qualifications. Before any tenant may occupy a Lot in the Community, or renew or extend an existing Lease after the effective date of these Rules, the following information must be obtained through third party vendors:
 - a) Credit history of the proposed tenant;
 - b) Criminal history of the proposed tenant; and
 - c) Eviction history of the proposed tenant.

Additionally, the Owner must approve or reject each Lease, based on the information provided by the proposed tenant and the above obtained information. Nothing in these Rules and Regulations shall be construed as giving the Association the right to approve or disapprove a proposed tenant. The objective of these Rules and Regulations is to inform the Owner of a prospective tenant's background before leasing, and to require Owner approval or rejection of a proposed tenant based on the information obtained.

- 6) Entire Lot. Lots must only be leased in their entirety. No fraction or portion may be leased without prior written Board approval.
- 7) Minimum Length or Term of Leases. All leases must be for an initial term of not less than six (6) months, except with prior written Board approval.
- 8) Owner to Provide Tenant with Copies of Documents. The Owner must provide the tenant copies of the Declaration, Bylaws and Rules and Regulations.
- 9) Required Provisions to be Included in Each Lease. Each Lease of a Lot shall contain the following language and if such language is not expressly contained therein, then such language shall be incorporated into the Lease by existence of this Rule, and the Tenant, by occupancy of the Lot, agrees to the applicability of this rule and incorporation of the following language into the Lease:

“This Lease incorporates all rules and restrictions contained in the Declaration, Bylaws, Rules and Regulations and Policies adopted and as amended from time to time by the Association. Tenant has an affirmative obligation to comply with all such rules and restrictions which obligation is a material term of this Lease/Rental Agreement, the breach of which constitutes an event of Default of this Lease/Rental Agreement. Any such Default is enforceable by either the Landlord, the Association or both.”
- 10) Background Check. The application for lease or the lease if no application is used, must contain the notice that completion of the application authorizes a background check to be performed, or if no application is used, the lease must state

that its effectiveness is contingent upon receipt of a satisfactory background check.

11) Compliance with Declaration, Bylaws and Rules and Regulations. The Tenant shall comply with all applicable provisions of the Declaration, Bylaws and Rules and Regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure such compliance. The Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws and Rules and Regulations and shall be responsible for all violations by such occupants. If the Tenant violates the Declaration, Bylaws or a rule or regulation for which a fine is imposed, notice of the violation may be given to the Owner and the Tenant. A fine may be assessed against the Owner. Unpaid fines shall constitute a lien against the Lot.

12) Copy of Lease to Association. Owners must provide a copy of the Lease/Rental Agreement to the Association within 30 days of commencement of each new tenancy and any modification or extension thereto.

13) Additional Remedies. Any violation of the Declaration, Bylaws or Rules and Regulations by the Tenant is deemed to be a default under the terms of the Lease and authorizes the Owner to terminate the Lease without liability and to evict the tenant in accordance with Colorado law. The Association may provide a written demand to the Owner requesting that the Owner commence eviction proceedings against any Tenant based violation of any provision contained in the Declaration, Bylaws, Rules and Regulations or Policies. If the Owner fails to commence such action within thirty (30) days of the date of the Association's demand, the Association may commence the Owner delegates and assigns to the Association, acting through the Board, the power and authority to evict the Tenant as attorney-in-fact on behalf of and for the benefit of the Owner. If the Association evicts the tenant, any costs, including but not limited to, reasonable attorney fees actually incurred, and court costs associated with the eviction shall be an Assessment and lien against the Lot.

14) Use of Common Areas. The Owner transfers and assigns to the Tenant for the term of the Lease, any and all rights and privileges that the Owner has to use the Common Areas.

15) Inapplicability of Leasing and Rental Rules to First Mortgagees and Association. These Rules and Regulations, as set forth above, shall not apply to any leasing transaction entered into by the Association, or the holder of any first mortgage on a Lot who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage.

16) Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

17) Deviations. The Board may deviate from the procedures set forth in this Resolution if its sole discretion such deviation is reasonable under the circumstances.

- 18) Amendment. This policy may be amended from time to time by the Board of Directors.
- 19) Severability. Invalidation of one of the foregoing provisions by court order or judgment shall have no effect on the remaining provisions which shall remain in full force and effect.

CERTIFICATION:

The undersigned, being the President of Town and Country Village Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on 5/17/2018, and in witness thereof, the undersigned has subscribed his/her name.

**TOWN AND COUNTRY VILLAGE
HOMEOWNERS ASSOCIATION, INC.**


By: Sue Leonard
Its: President