

COLONIAL SQUARE COOPERATIVE
SUBLEASING POLICY

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- I. Colonial Square Cooperative is an owner-occupied community that fosters a sense of pride in the cooperative with the privileges and responsibilities that can only be obtained from co-ownership.

Subleasing will not be allowed without approval of the Board of Directors. Subleasing without approval is a default by the Member of their Occupancy Agreement and the Bylaws.

- II. Definitions applicable to this policy
 - A. **“Sublease Agreement”** - A binding agreement approved by the Cooperative entered into by the Sublessor/Member and the Sublessee/Tenant. This agreement sets forth the responsibilities of all parties in relation to a sublease arrangement.
 - B. **“Sublessor/Member”** - the Member or Members whose name(s) appear on the Occupancy Agreement and Membership Certificate engaging in an authorized sublease arrangement.
 - C. **“Sublessee/Tenant”** - the person or persons whose names appear on the Sublease Agreement and are residing in the townhouse as a legal tenant of the Sublessor/Member in an authorized sublease arrangement.
 - D. **“Other Occupant”** – the person or persons who may also be residing in the townhouse with the Sublessee.

- III. Board Decision Guidelines

- A. The following criteria are to be used as guidelines for the Board of Directors to consider when a request to sublease is submitted. It is understood that many situations can arise that could create a need for a Member to request to sublease. Therefore, the Board will review each request on an individual basis and will provide decisions accordingly.
 - i. A Member has died and the Member’s personal representative or trustee needs to lease the townhouse during the administration of the estate or trust.

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- ii. A Member has been called to active duty in the armed forces of the United States.
- iii. A Member needs to take an extended leave to perform civil service, mission or volunteer work.
- iv. A Member has been transferred to a medical extended care facility.
- v. A Member needs to temporarily relocate due to a job transfer, education, or family emergency.
- vi. A Member has attempted to sell their townhouse without success and desires to sublease their townhouse.

IV. Requirements and responsibilities (Member/Sublessor)

- A. In accordance with the Cooperative's Occupancy Agreement, the approved sublease period may not exceed a total of twelve (12) months without further permission of the Board of Directors.
- B. All sublease requests, supporting information and forms must be submitted a minimum of 30 days prior to the date you wish the sublease period to begin.
- C. If a Member wishes to sublease their townhouse for a period longer than one year, they must submit their renewal request 60 days prior to the expiration of the initial sublease.
- D. Members must use a Sublease Agreement approved and provided by the Cooperative unless the need for a Sublease Agreement has been waived.
- E. Upon Management's notice of Board approval to the Member's request to sublease, the member must submit a nonrefundable fee to the Cooperative. This fee is due prior to the beginning of the sublease. Refer to the Charges and Fee Schedule for the current subleasing fee.
- F. A full Certificate of Compliance for the townhouse must be obtained from the City of Ann Arbor Housing Bureau and submitted to the office prior to the occupancy by Sublessee, if required by the city of Ann Arbor.
- G. A Certificate of Insurance showing that the townhouse is properly insured according to all applicable laws, codes and any current requirements of the Cooperative must be obtained. A copy must be submitted to the Cooperative office prior to the

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beginning of the sublease. The type of policy that is required for subleasing is referred to as a "Landlord's Rental Dwelling Policy". Colonial Square Cooperative must be named as an additional insured on the policy.

- H. It is the responsibility of the Member to recommend that the Sublessee obtain "renters insurance." The policy should be in force for the entire term of the lease period. Sublessees shall be informed that Cooperative and Member insurance policies will not cover their property.
 - I. Requirements of the Michigan Truth in Renting and City of Ann Arbor Housing Code and all applicable laws and codes must be followed at all times.
 - J. If a request to sublease has been approved due to an unsuccessful attempt to sell the townhouse, the requesting Member must agree to maintain the "for sale status" of the townhouse advertised with the Cooperative office during the term of the sublease.
- V. Requirements and responsibilities (Sublessee/Tenant)
- A. A potential Sublessee must be 18 years of age or older in order to be able to sublease in Colonial Square.
 - B. All potential Sublessees must meet the current membership requirements of the cooperative. All Other Occupants must also be approved by the cooperative.
 - C. All sublease occupants 18 years of age or older must sign the Sublease Agreement.
 - D. A Colonial Square Application must be completed, showing all proposed occupants of the townhouse, including pets, prior to occupancy.
- VI. Cooperative's rights.
- A. Management will process and administrate all sublease requests and maintain copies of all records associated with any sublease arrangement.
- VII. All prior policies and motions passed by the Board on topics addressed by this policy are superseded by the current policy.