

# **CRESTVIEW HOMEOWNERS ASSOCIATION**

## **LEASING AND OCCUPANCY RULES**

**WHEREAS**, the Board of Directors of Crestview Homeowners Association (the “Board”) is the entity responsible for the operation of Crestview Homeowners Association (the “Association”), pursuant to and in accordance with that certain Declaration of Covenants, Conditions and Restrictions for Crestview, recorded in the Official Public Records of Tarrant County, Texas, including any amendments thereof (the “Declaration”) and Bylaws of Crestview Homeowners Association, including any amendments thereof (the “Bylaws”); and

**WHEREAS**, pursuant to express authority set forth in the Article V of the Declaration and Article V of the Bylaws, the Association, acting by and through the Board, has the right to make and amend rules and enforce provisions of the Declaration, the Bylaws, rules and regulations, or design/architectural guidelines (collectively, the “Governing Documents”), along with the corresponding right to adopt reasonable rules regarding, among other things, the occupancy and leasing of Dwellings. Pursuant to this authority, the Association, acting through its Board, has established the following Leasing and Occupancy Rules; and

**WHEREAS**, pursuant to Article VII, Section 7.1 of the Declaration, each Lot and Dwelling shall only be used for single-family, residential purposes; and

**WHEREAS**, whether or not it is so stated in a lease, every lease is subject to the Governing Documents and the Owner is responsible for providing his tenants with copies of the Governing Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Governing Documents, federal or state law, or local ordinance may be deemed to be a default under the lease. When the Association notifies an Owner of his tenant’s violation, the Owner will promptly obtain his tenant’s compliance or exercise his rights as landlord for tenant’s breach of lease. The Owner of a leased Dwelling is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Governing Documents against his tenant. The Association is not liable to the owner for any damages, including lost rents, suffered by the Owner in relation to the Association’s enforcement of the Governing Documents against the Owner’s tenant.

Leasing of Dwellings on Lots shall be governed by the following provisions:

(1) Definitions.

“Leasing”, as used in this Section, is defined as regular, exclusive occupancy of the Dwelling on a Lot by any person other than the Owner for which the Owner, or any designee of the Owner, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument.

“Residential Purposes”, as used in Section 7.1 of the Declaration is hereby interpreted to prohibit short-term rentals of or transient stays (defined to mean any period of less than 30 days) at a Dwelling and shall not include either of the following: (i) operating a rooming or boarding house within a Dwelling, for any period of time, as a source for income; (ii) renting by the Owner of less than the entire Dwelling to others as a separate house-keeping unit, for any period of time. To be clear, the Board has determined that any Owner who operates or rents his or her Dwelling as described in either (i) or (ii) above will be in violation, *inter alia*, of Article VIII of the Declaration.

(2) General. Dwellings may be leased only in their entirety. All leases shall be in writing and provide that the terms of the lease are subject to the terms, conditions, and provisions of the Governing Documents. Subleasing and assignment of the right to occupy a Dwellings are expressly prohibited. No transient tenants may be accommodated in a Dwelling. All leases must be for an initial term of twelve (12) months unless otherwise approved by the Board in writing. Thereafter, a renewal or extension of the current lease or a new lease with the same tenant(s) may be of a term up to or greater than twelve (12) months provided that the Owner notifies the Board of her intent to extend or renew the lease or enter into a new lease with the same tenant(s) on the Dwelling and obtain the Board’s approval prior to renewing or extending the term of an existing lease or entering into a new lease with the same tenant(s). The Board may reject any new lease or any renewal or extension of an existing lease due to two (2) or more violations of the Governing Documents by the tenant(s), provided that the Owner has been provided written notice of such violations during the term of the lease. The Owner must make available to the lessee copies of the Governing Documents. The Owner must provide a copy of the lease to the Association. **AN OWNER WHO FAILS TO SUBMIT THE INFORMATION REQUESTED HEREIN MAY NOT LEASE A DWELLING AS SUCH FAILURE CONSTITUTES A VIOLATION OF THESE RULES.**

(3) Leasing and Occupancy Restrictions. In order to preserve the quality of life of members and residents, the high standards of maintenance and care of the Property and Common Areas, and to promote the Dwelling and/or leasing of Dwellings by responsible individuals, a Dwelling may be leased in accordance with the following provisions:

(a) Notice of Intent to Lease. Whenever the Owner of a Dwelling has received a bona fide offer to lease his Dwelling and desires to accept such offer, the Owner shall give the current management company written notice of his desire to accept such offer and provide, at the Owner’s sole cost and expense, the following information to the Board:

- (i) A copy of the rental or lease agreement;
- (ii) The name, telephone number, email address, and current address of the prospective lessee(s) and each prospective adult occupant (over age 18);
- (iii) A criminal background report for each prospective adult occupant of the Dwelling. The criminal background report will not be maintained by the Association and shall not constitute a record of the Association. Alternatively, the Owner can affirm that the occupant(s) do not violate Paragraph 3(b)(ii) below. In the event the Owner fails to comply with the foregoing terms, the Association may secure a criminal background report and such expense(s) will be charged to the Owner's account.

To assist the Owner in providing the information requested above, the Owner may complete the Tenant Information Sheet attached hereto as Exhibit A.

(b) Qualifications of Prospective Occupants and Lessees.

- (i) Occupancy. The total number of occupants allowed to reside in or occupy a Dwelling shall not exceed the maximum number of occupants allowed in the Dwelling pursuant to any ordinance, code or regulation of the City of Crowley or State of Texas.
- (ii) Certain Criminals Prohibited. Owner may not lease to or allow any person to reside in or occupy a Dwelling who has been convicted of any felony crimes involving violence, crimes against persons; use of firearms; sex crimes; illegal drugs; robbery; aggravated robbery; murder; criminal gang activity; discharge of firearms; gambling; manufacture, sale or use of drugs; manufacture or sale of alcoholic beverages; prostitution; theft; burglary; larceny; destruction of property; or any crime involving a minor.
- (iii) Sex Offenders Prohibited. "Sex offenders," as defined below are prohibited from leasing, residing in or occupying any Townhome and Owners are strictly prohibited from entering into any lease with or allowing any sex offender to occupy or reside in a Dwelling.

Definition of "Sex Offender". For purposes of this Article, a "Sex Offender" is a person who is required to register as either a Level 3 (High) or Level 2 (moderate) Sex offender pursuant to Chapter 62 of the Texas Code of Criminal Procedure, the Sex Offender Registration Program as it now exists or as it may be amended in the future) or pursuant to any other law of the State of Texas, or any municipal or county ordinance, or any other state or federal law or regulation. A "Sex Offender" for purposes of this Article also includes a person who is required to register as a sex offender but who has not been assigned a risk assessment level by the applicable authority or for whom such a risk assessment level is not yet available to the public via the applicable registry program.

**THESE REQUIREMENTS DO NOT CONSTITUTE A GUARANTEE OR REPRESENTATION THAT LESSEES OR OCCUPANTS RESIDING WITHIN THE CRESTVIEW COMMUNITY HAVE NOT BEEN CONVICTED OF A CRIME OR ARE NOT SUBJECT TO DEFERRED ADJUDICATION FOR A CRIME.**

(4) Leasing Limitations. Upon acquiring an ownership interest in a Dwelling, the Owner may not lease the Dwelling, or any portion thereof, until the expiration of twelve (12) months from the date of the closing of the sale of the Dwelling or recording of the deed to the Dwelling which conveys title, whichever is earlier; provided that the Owner may lease the Dwelling thereon pursuant to Board approval of a hardship per Paragraph (6) below, including instances where the seller enters into a lease-back agreement for a term no greater than ninety (90) days. After the expiration of the twelve (12) month period, the Owner may lease the Dwelling subject to the other terms contained in these Leasing and Occupancy Rules. **AN OWNER WHO FAILS TO SUBMIT THE INFORMATION REQUESTED HEREIN MAY NOT LEASE A DWELLING AS SUCH FAILURE CONSTITUTES A VIOLATION OF THESE RULES.** The Board may adopt and enforce reasonable rules regulating leasing.

(5) Rejection of Lease by Board of Directors. If the terms of the lease and/or the application do not meet the standards and criteria described in these Leasing and Occupancy Rules, then the lease may be rejected by the Board, and the Board shall notify the Owner within fourteen (14) days after the decision is rendered in writing of the rejection of the lease. Owner shall not lease to or allow anyone to reside in the Dwelling who does not meet the standards and criteria set out above.

(6) Hardship. Notwithstanding any provision to the contrary, the Board shall be empowered to allow leasing of one or more Dwellings prior to the twelve (12) month leasing ban in Section (4) above, of an initial term of less than twelve (12) months, or other appropriate instances as determined solely by the Board upon written application by an Owner to avoid undue hardship. By way of illustration and not by limitation, circumstances which would constitute undue hardship are those in which (i) an Owner must relocate his or her primary Dwelling and cannot, within ninety (90) days from the date the Dwelling was placed on the market, sell the Dwelling while offering it for sale at a reasonable price no greater than its current appraised market value; (ii) the Owner dies and the Dwelling is being administered by his estate; (iii) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Dwelling; (iv) the Dwelling is to be leased to a member of the Owner's immediate family, which shall be deemed to encompass children, grandchildren, grandparents, brothers, sisters, parents and spouses; (v) deployment or activity military duty status in any branch of the United States of America military. Those Owners who have demonstrated that the inability to lease their Dwelling would result in undue hardship and have obtained the requisite approval of the Board may lease their Dwelling for such duration as the Board reasonably determines is necessary to prevent undue hardship. Requests for hardship exemptions shall be reviewed by the Board on a case-by-case basis.

(7) Contents of Lease. Each Owner acknowledges and agrees that any lease of his Dwelling shall be deemed to contain the following language and that if such language is not

expressly contained in the lease, then such language shall be incorporated into the lease by existence of this Section. In addition, the terms and requirements contained herein automatically become a part of any lease and/or an addendum to the lease. These provisions shall also be attached to any lease as an addendum and again, are a part of the lease regardless of whether or not physically attached to the lease. Any lessee, by occupancy of a Dwelling, agrees to the applicability of this Section and incorporation of the following language into the lease:

**The lessee shall comply with all provisions of the Declaration, Bylaws and rules and regulations of the Association and shall control the conduct of all other occupants and guests of the leased Dwelling in order to ensure their compliance. Any violation of the Declaration, Bylaws or rules and regulations by the lessee, any occupant, or any person living with the lessee, that is repeated, ongoing, or threatens to public health or safety 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 lessee in accordance with Texas law.**

**The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common area including, but not limited, the use of all recreational facilities and other amenities.**

(8) Compliance with Declaration, Bylaws, and Rules and Regulations. Each Owner shall cause all occupants of his Dwelling to comply with the Governing Documents of the Association and shall be responsible for all violations and all losses or damage resulting from violations by such occupants, notwithstanding the fact that such occupants of the Dwelling are fully liable and may be personally sanctioned for any violation. The Owner shall provide the lessee a copy of the Governing Documents of the Association.

In the event that the lessee, occupant or a person living with the lessee, violates the Governing Documents for which a violation fine is imposed, such fine shall be assessed against the Owner. The Owner shall pay the violation fine upon notice from the Association.

The Association will notify an Owner of his occupant's violations, as required by law, and the Owner will promptly obtain his occupant's compliance or exercise his rights as a landlord for the occupant's breach of the lease. If the violation continues or is repeated, then the Association may exercise its rights and authority to pursue remedies of a landlord under the lease pursuant to the Declaration. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs associated with the eviction, shall be assessed as an assessment against the Dwelling and the Owner, such being deemed an expense which benefits the leased Dwelling and the Owner thereof.

(9) Exempt Owners. The leasing limitations contained in Sections (2) and (4) shall not apply to the Association or to any institutional lender, insurer or guarantor of a mortgage who takes title to any Dwelling pursuant to the remedies set forth in its mortgage or security instrument

provided, however, that it shall apply to any leases by any purchaser from such mortgagee and any successor to such purchaser.

(10) Grandfathering. With respect to a Dwelling which is subject to a valid written lease as of the effective date hereof, the Owner's only obligation is to provide a copy of the current lease agreement or, in the alternative, complete the Tenant Information Sheet attached hereto as Exhibit A. Notwithstanding this exemption for Dwellings already subject to a valid written lease on the effective date hereof, upon termination, extension or renewal of that written lease, the Owner must comply with these Leasing and Occupancy Rules.

(11) Noncompliance. Subject to the exclusions provided in Sections (9) and (10), from the date of the adoption of these Leasing and Occupancy Rules, any lease of a Dwelling entered into without complete and full compliance with the terms herein, including obtaining prior written approval from the Board, shall be deemed void and of no force and effect and shall confer no interest to the purported lessee. The Association shall have the power and authority to enforce these Leasing and Occupancy Rules which may include, but is not limited to, levying violation fines, taking action to evict the occupants of any Dwelling, and filing suit for necessary damages, including injunctive relief. **EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE THE OCCUPANTS OFF HIS LOT AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS PARAGRAPH.** Each Owner shall fully and truthfully respond to any and all requests by the Association for information regarding the occupancy of his Dwelling which in the sound business judgment of the Board are reasonably necessary to monitor compliance with these Leasing and Occupancy Rules.

- Notwithstanding any proposed fine stated in the Association's enforcement or fine policy, violations of these Leasing and Occupancy Rules shall be levied on a daily basis and the minimum daily fine shall be \$100.00 with a maximum daily fine of \$500.00.

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***ALL OWNERS MUST PROVIDE A CURRENT  
LEASE AGREEMENT TO THE ASSOCIATION.  
FAILURE TO PROVIDE A COPY OF THE LEASE  
AGREEMENT UPON REQUEST MAY SUBJECT  
THE OWNER TO A VIOLATION FINE FOR  
NONCOMPLIANCE WITH THESE RULES.***

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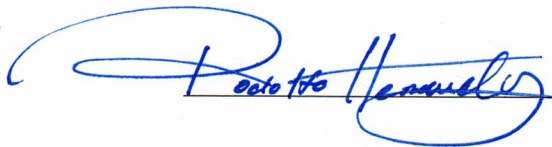
(12) Authority of Management to Act. The Board hereby authorizes and empowers the management company to do all such things and perform all such acts as are necessary to implement and effectuate the purposes of these Leasing and Occupancy Rules, without further action by the Board.

(13) Binding Effect. The terms and conditions of these Leasing and Occupancy Rules, as may be amended from time to time by the Board, shall bind all Owners including their heirs, successors, transferees or assigns, and all Lots and Dwellings as defined in the Declaration, and the Properties shall hereafter be held, occupied, transferred, and conveyed subject to the terms and conditions of these Leasing and Occupancy Rules, as amended by the Board.

These Leasing and Occupancy Rules were duly introduced, seconded and was thereafter adopted at a regular scheduled meeting of the Board, at which a quorum was present, by a majority vote of the members of the Board present and eligible to vote on this matter.

**IN WITNESS WHEREOF**, the Board unanimously voted and adopted these Leasing and Occupancy Rules to be effective and executed by its duly authorized representative as of the 22 day of February, 2021.

**CRESTVIEW  
HOMEOWNERS ASSOCIATION,  
a Texas nonprofit corporation**

\_\_\_\_\_, President