

BYLAWS UPDATES

PARTS 1-6

*A Summary of The Amended and Restated Consolidating
Master Deed and Bylaws Changes*

MASTER DEED & BYLAWS

Confusion and misunderstanding over changes to our new documents has caused the **Proposed Amendments-July 2019 Vote** to fail.

Our HOA desperately needs to update our documents and another vote is needed. To help clear up the confusion over the **meaning of the changes** and the **“old/new” references**, we have broken down the changes **minus the legal speak**. This is a 6 Part Series, one each month, and will help clear up questions and confusions. The FINAL VERSION, in July, will combine the summarized CHANGES in one flyer.

Then we will vote again!

This is extremely important to our community. If you have questions on the new Master Deed and Bylaws, a special email has been created specifically for contacting the Board of Directors.

bylawupdates@voohoa.net

The Proposed Amendments can be referenced from the materials in your original May 2019 package. If you no longer have these documents, you may request a new copy from the office or visit our website:

www.voohoa.net

**NOW Easier to
Understand**

**COMPARE
old/new Changes**

6 PART SERIES

**Villages of Oscoda
Home Owners Association**

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A Summary of The Amended and Restated Consolidating Master Deed and Bylaws Changes

MASTER DEED

1. Legal Description. The legal description contained in the Consolidating Master Deed was corrected to include the former 8-Plex Area now known as “Freedom Park”.

2. Developer’s Right to Amend. The Developer’s right to unilaterally amend was removed, along with other rights previously held by the Developer.

3. Inclusion of New Article XIII Regarding Compliance. Article XIII creates a hierarchy of priority in the event any of the Condominium Documents conflict.

BYLAWS

4. The Consolidating Condominium Bylaws recorded at Liber 852, Page 50, Iosco County Records were combined with the unrecorded Association Bylaws.

5. Article II, Sections 3.B. and 3.C., clarifies the distinction between an additional assessment (which does not require member approval), and a special assessment (which does require member approval). In the current Bylaws, a special assessment requires disapproval of a majority of members to fail. In the proposed Bylaws, a special assessment would require approval of a majority to pass.

MASTER DEED	
Proposed	What It Means
<p><i>Item 1</i> Article II <u>AND</u> Pg 4 Legal Description was corrected to include “Freedom Park”</p>	<p>Original Document: Article II Pg 2-4 Current Legal Description does not include “Freedom Park”</p>
<p><i>Item 2</i> REMOVED COMPLETELY The Developers right to amend the Master Deed & other rights</p>	<p>Original Document: Article IX Sec B (2) Pg 24 The Developer can amend the Master Deed and other rights</p>
<p><i>Item 3</i> Article XIII Pg 33 The topic of Article XIII is CONFLICTING PROVISIONS If a <i>Condominium Document</i> conflicts, it will be resolved by first consulting the MASTER DEED.</p>	<p>NEW Article XIII This Article creates a “hierarchy of priority” or an “order of priority control”. PUT SIMPLY if there is a disagreement, the document in question will be referenced against a ruling document. The ORDER of these ruling documents begins with the Master Deed. If not resolved, the next document to be consulted will be the Subdivision Plan. And so on. The complete list is on pg 33.</p>
BYLAWS	
Proposed	What It Means
<p>Item 4 ASSOCIATION OF CO-OWNERS Article 1 Sec 2 Pg 1 The Consolidating Condominium Bylaws were combined with the Association Bylaws</p>	<p>The Amended Bylaws are designated as both the Condominium Bylaws and the Corporation Bylaws. This is required by the Michigan Nonprofit Corporation Act, MCL 450.2101 of 2015.</p>
<p>Item 5 ASSESSMENTS Article II Sec 3B-3C Pg 2-3 Clarification between ADDITIONAL ASSESSMENT and SPECIAL ASSESSMENT</p>	<p>ADDITIONAL ASSESSMENTS Does not require Co-owners approval SPECIAL ASSESSMENT requires the approval by the Co-owners</p>

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BYLAWS:

6. Article III, Section 4 adds a mediation provision.

7. Article IV, broadens the insurance requirements for a Fidelity Bond which protects the Association for losses that they incur as a result of fraudulent acts by specified individuals.

8. Article IV, maintains the Directors and Officers Liability coverage to protect from specific claims against volunteers. See also new Article XIII which specifically addresses “Indemnification of Officers and Directors; Directors’ and Officers’ Insurance”. The proposed bylaws prohibit compensation of Directors.

9. Article IV, Section 4, includes a provision regarding the expenditures affecting the administration of the project as required by MCL 559.154(4).

10. Article V, Section 1 designates the percentage required to terminate the Condominium in the event of its destruction as 66 2/3% of institutional holders of first mortgage liens.

BYLAWS Part 2	
Proposed	What It Means
<p>Item 6 ARBITRATION Article III Section 4 Pg 8 Mediation</p> <p>Some of the Section titles are renamed, but the language is basically the same. A NEW Article has been added, Section 4, including Mediation to the available options in the event of a dispute.</p>	<p>Original Document: Article III Sec 1-4 Pg 11-12 NEW Article III Section 4 Mediation is new to this Article and is available to remedy disputes, along with Arbitration and Court Actions. Also, Mediators must be qualified and chosen from outside the HOA.</p>
<p>Item 7 INSURANCE Article IV Section 1 Pg 9 Extent of Coverage</p> <p>5) <i>Fidelity Bond</i> insurance for protection from fraudulent actions from people working for or within the Association, such as an employee or other specified individuals (such as a volunteer).</p>	<p>Original Document: Article IV Sec 1 Pg 13 (last paragraph) Our current Bylaws are too general and don't provide enough protection for the Association. A Fidelity Bond will protect the Officers, Directors, employees and “other persons” (such as a volunteer) who are handling money for the Association.</p>
<p>Item 8 INSURANCE Article IV Section 1 Pg 9 6) <i>Directors and Officers Liability</i></p> <p style="text-align: center;">NEW Article XIII Section 1 Pg 47 <i>Indemnification of Directors and Officers</i></p> <p style="text-align: center;">Article XIII Section 2 Pg 48 <i>Directors' and Officer's Insurances</i></p> <p>Article XI Section 1 Pg 42 Directors will serve without compensation. Article XII Section 4 Pg 47 Officers shall serve without compensation.</p>	<p>Original Document: Article IV Pg 12-15 The Original Bylaws outline the types and amounts the Association must carry. The insurance coverage will continue with the current protection.</p> <p>NEW Article XIII Section 1 Insurance will cover the costs in connection with legal expenses and liabilities in legal actions brought by a Co-owner against an Officer or Director.</p> <p>Section 2 The Association will carry liability insurance for the Directors and Officers, but it may be waived for personal benefit to help keep premiums low.</p> <p>Directors and Officers will never receive payment for their time.</p>
<p>Item 9 INSURANCE NEW Article IV Section 4 Pg 12 <i>Expenditures Affecting the Administration of the Project</i></p> <p>To begin, our community is referred to by several different titles. In this section our community is titled the Condominium Project.</p>	<p>Original Document: We are not in compliance with the Condominium Act, MLC559.154(4) NEW Article IV Section 4 If the Association has expenses or insurance money connected with the common elements, then those expenses will be considered a part of the overall expense/proceeds of the Condominium Project.</p>
<p>Item 10 RECONSTRUCTION OR REPAIR IN CASE OF INSURED CASUALTY Article V Section 1 Pg 12 <i>Determination of Reconstruction or Repair</i></p> <p>If a unit or common element is damaged, it must be repaired and rebuilt. BUT, it doesn't have to be rebuilt under certain circumstances.</p>	<p>Original Document: Article IV Section 3 (b) Pg 15 The Original Document required 75% of Co-owners to agree to terminate the Condominium Project. The proposed majority requirement is 80% of Co-owners AND not less than 66 2/3% approval from first Mortgage, lien holders agree to terminate the Condominium Project.</p>