

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

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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. 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> 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> 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>

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BYLAWS:

11. Article V, revises the hierarchy of responsibility for repairs and the items involved in said repairs.

12. Article VI incorporates the Architectural Control provisions from the current Bylaws.

13. Article VII, Section 1(A), specifies the appropriate use(s) of the Units.

14. Article VII, Section 2, revises the Bylaws pertaining to leasing restrictions and the procedures for leasing.

REMOVED from **Article VII Sec 2 (A “25% LEASING CAP”**

REMOVED from **Article VII Sec 2 (C “Exception to 25% Leasing Limitation”**

15. Article VII, Section 3(A), includes a provision regarding the FCC rule regarding satellite dishes and antenna.

16. Article VII, Section 3(B, revises the provision regarding modifications or improvements for the disabled as required by Michigan law. This includes a revision that requires the ACC to approve or deny a request within 60 days or allow the alteration without approval.

BYLAWS Part 3	
Proposed	What It Means
Item 11 <i>Article V Section 3 (A-B Pg 12-13</i> The new Bylaw clearly defines who is responsible for reconstruction or repair for both the Co-owner and the Association.	Original Document: Article V Sec 1 (a - b Pg 16 The current Bylaw is too general about reconstruction and repair and seems to put the burden of repair solely on the Co-owner. The proposed Bylaw clarifies the order and responsibility.
Item 12 <i>Article VI Section 1 Pg 16</i> The proposed Bylaws are more specific and less rigid than the current Bylaws.	Original Document: Article VI Pg 18 The original Bylaw has provisions for Developers, which no longer apply to our situation and has been REMOVED . This is beneficial to the Co-owner.
Item 13 <i>Article VII Section 1 (A-C Pg 20-21</i> The new proposed Bylaws are much less restrictive towards the Co-owners and addresses changes to reflect new laws, such as marijuana usage.	Original Document: Article VI Sec 1 Pg 18 The original Bylaw is much more restrictive as to the uses of property within the condominium association and are not in compliance with state laws. Also, the reference to Developers have been REMOVED .
Item 14 <i>Article VII Section 2 Pg 21-23</i> REVISED DRAFT “Leasing & Rental Units” This is NEW and REVISED from the 2019 DRAFT. The new 3 pages can be found on the website under Bylaw Amendment Info: REVISED DRAFT “Leasing & Rental Units” REMOVED from Article VII Sec 2 (A “25% LEASING CAP” REMOVED from Article VII Sec 2 (C “Exception to 25% Leasing Limitation”	Original Document: Article VII Sec 25 Pg 27 The original Bylaw is too general and includes language concerning Developer Activities, which has been REMOVED . The proposed bylaws address leasing requirements and protects the community against absentee landlords and those that do not oversee their tenants on a regular basis. REMOVED from Article VII Sec 2 (A “25% LEASING CAP” REMOVED from Article VII Sec 2 (C “Exception to 25% Leasing Limitation”
Item 15 <i>Article VII Section 3 (A Pg 24-26</i> The proposed Bylaws allows for satellite dishes.	Original Document: Article VII Sec 25 Pg 27 This is another example of how behind-the-times our Bylaws actually are.
Item 16 <i>Article VII Section 3 (B Pg 26-27</i> This is a revision allowing for disabled modifications. Also, allows ACC to approve or deny modifications. This is in the Condominium Act.	Original Document: Not Addressed Once again, we are not compliant with Michigan Law with our current Bylaws. The act also states that if the ACC denies the request the Co-owner may take it to court. Or if there is no response from the ACC, the Co-owner may make the changes without their approval.

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BYLAWS:

17. In Article VII, Section 5, the restrictions on animals were revised.

18. Article VII, Section 8(E), revises the provision regarding non-operational vehicles consistent with the Michigan Vehicle Code regarding the 'sticker/tagging' and towing of vehicles.

19. Article VII, Section 10, expands the list of dangerous items/ weapons.

20. Article VII, Section 17, adds a provision regarding draperies and curtains to maintain consistency throughout the Condominium. Also, Co-owners are preclude from adding bars or other visible security protections on the inside or outside of the windows.

21. Article VII, Section 18, adds a provision regarding the use of Smart Phones, Cameras, and recording devices at Association meetings.

22. Article VII, Section 19, This provision is regarding the use of Social Media by the Association and its members.

BYLAWS Part 4	
Proposed	What It Means
<i>Item 17</i> <i>Article VII Section 5 (A Pg 28</i> The restrictions on animals has been revised and outlined in this Section.	Original Document: Article VII Sec 4 Pg 23 The original document mentions farm animals and specified each species. The proposed Bylaw outlines the "types" of pets allowed and how they should be controlled.
<i>Item 18</i> <i>Article VII Section 8 (E Pg 31</i> Based on the Michigan Vehicle Code, (MCL 257.252k) this proposed Bylaw would keep non-working cars off the street.	Original Document: Article VII Sec 2 (a-b Pg 22 The original document was created when most family's owned only one car and parking wasn't such an issue. The proposed Bylaw gives more teeth to Association for tagging and towing non-working vehicles.
<i>Item 19</i> <i>Article VII Section 10 Pg 32</i> For the safety of our community, dangerous items and the use of weapons are prohibited without prior written consent of the Association.	Original Document: Article VII Sec 11 Pg 25 The original document is not specific enough. The proposed Bylaw adds air rifles and fireworks to the list of Dangerous Items. Also, volatile liquids or substances are not allowed in buildings.
<i>Item 20</i> <i>Article VII Section 17 Pg 34</i> This is a NEW BYLAW adding guidelines for window treatments and also prohibits Co-owners from adding bars to their windows.	Original Document: Article VI Sec 3 Pg 20 The original document outlined Interior Decorating guidelines. The proposed Bylaw adds Draperies and Curtains guidelines for a more uniform, consistent look.
<i>Item 21</i> <i>Article VII Section 18 Pg 34</i> This NEW Bylaw provision clarifies the Board's responsibility to monitor the use of recording devices at meetings.	Original Document: Not Addressed The original document did not address this issue. This helps the Board maintain decorum at meetings.
<i>Item 22</i> <i>Article VII Section 19 Pg 34</i> This NEW Bylaw provision ensures that the Association maintain control over the Association's website.	Original Document: Not Addressed The original document did not address this issue. The Association is trying to avoid the possibility of confusion regarding the use and creation of social media claimed to be on behalf of the Association.

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BYLAWS:

23. Article VII, Section 20, adds a provision regarding solar panel installation and responsibility for same.

24. Article VII, Sections 23 through 32 are largely incorporated from the current Bylaws.

25. Article IX, Section 6, reduces the percentage to obtain a quorum to 20%.

26. Article IX, Section 7, adds alternative methods of voting as options in accordance with the recent amendments to the Michigan Nonprofit Corporation Act which were implemented on January 15, 2015.

27. Article XI, Section 2, adds a provision regarding the term of Directors.

BYLAWS Part 5	
Proposed	What It Means
<p>Item 23 <i>Article VII Section 20 Pg 35</i> A continuation of Article VII, the new Bylaw provision outlines the requirements for a Co-owner to install solar panels.</p>	<p>Original Bylaws: Not Addressed The original document did not address this issue. Requirements include written request from ACC, Co-owners responsibility for cost, liability insurance, and proper instillation, just to name a few.</p>
<p>Item 24 <i>Article VII Sections 23-32 Pg 35-37</i> This proposed Bylaw provision incorporates the items from the original document and updates them into our modern times.</p>	<p>Original Bylaws: Article VII Sec 14-22 Pg 25-26 The original document is outdated. Items that have been updated included Drainage, Tree Removal, Lighting, Playground, RV Parking and more.</p>
<p>Item 25 <i>Article IX Section 6 Pg 39</i> The proposed Bylaw provision lowers the percentage of Co-owners necessary to achieve quorum from 25% to 20%.</p>	<p>Original Bylaws: Article I Sec 1 (g) Pg 2 <i>quo-rum: the minimum number of members of an assembly that must be present at any of its meetings to make the proceedings of that meeting valid.</i> The original document stated the minimum percentage of Co-owners required to hold a meeting/quorum was 25%. This has been lowered to 20%, which is much more achievable.</p>
<p>Item 26 <i>Article IX Section 7 Pg 39</i> This Bylaw provision broadens the ways Co-owners may vote.</p>	<p>Original Bylaws: Article I Sec 1 (h) Pg 2 The original document did not include the ability to vote “electronically”. The purposed Bylaw provision expands the voting procedures to make it easier for more Co-owners to cast their votes.</p>
<p>Item 27 <i>Article XI Section 2 Pg 42</i> This Bylaw provision specifies that for each year, either 3 Directors or 2 Directors will be elected for 2 year terms.</p>	<p>Original Bylaws: Article I Sec 4 Pg 3 The original Bylaw provision is vague concerning the “terms” of the Directors, simply stating it was ruled from the Bylaws. The new Bylaw provision outlines the actual terms which Directors are chosen.</p>

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

BYLAWS:

28. Article XI, Section 11, includes the Board’s ability to perform an action without meeting.

29. Article XI, Section 12, adds a provision regarding privileged minutes of the Board of Directors in accordance to the 2015 Amendment to the Michigan Nonprofit Corporation Act.

30. Article XI, Section 13, adds a provision regarding remote participation by the Board that is consistent with the 2015 Amendment to the Michigan Nonprofit Corporation Act.

31. Article XIV, Section 5, includes the audit requirement contained in MCL 559.157 of the Condominium Act which went into effect January 14, 2014.

32. CHANGE to MASTER DEED
Article XIII, Section 1-5, includes a procedure for amending the Amended and Restated Consolidating Bylaws in the future.

33. CHANGE to MASTER DEED
Article IV, Section 2, E (3), includes a procedure for liability of the Association during the Covid-19 pandemic.

BYLAWS Part 6	
Proposed	What It Means
<p><i>Item 28 Article XI Section 11 Pg 45</i> Any action taken by the Board at a meeting will be valid if consented to in writing (email). Also, such a vote will be valid and noted in the next Board meeting minutes.</p>	<p>Original Bylaws: Not Addressed The original document did not address this issue. This Bylaw provision allows the Directors to vote on issues via email or phone without a scheduled Directors meeting. This speeds up the process to solve issues quickly by the Board.</p>
<p><i>Item 29 Article XI Section 12 Pg 46</i> The Board may close a section of their meeting and minutes if the minutes refer to privileged communications as per the Michigan Nonprofit Corporation Act.</p>	<p>Original Bylaws: Not Addressed The original document did not address this issue. Co-owner may attend Board meetings and request copies of the minutes. However, privileged information may be withheld as per the Amendment to the Michigan Nonprofit Corporation Act.</p>
<p><i>Item 30 Article XI Section 13 Pg 46</i> Board members may join meetings through electronic communications and will be regarded as that individual being present at the meeting.</p>	<p>Original Bylaws: Not Addressed The original document did not address this issue. In the event someone can’t physically attend the meeting, they may join by phone or internet.</p>
<p><i>Item 31 Article XIV Section 5 Pg 49</i> This Bylaw provision will place us in compliance with MCL 559.157 concerning when and how an audit will be conducted. This section also allows for an annual audit OR a review by a CPA.</p>	<p>Original Bylaws: Article I, Section 3, Pg 2 The major difference here is who performs the audit and allow the members to vote to opt out of an audit. The original Bylaws state it does NOT have to be a certified public accountant. In the new Bylaw provision, it MUST be a certified public accountant. In addition, it specifies an audit if annual revenues exceed \$20k. The original Bylaws did not specify a figure.</p>
<p><i>Item 32 Article XIII Section 1-5 Pg 33</i> This Master Deed provision outlines how we will maintain and update our documents. The order of priority is listed as to which documents will rule first whenever there is a conflict.</p>	<p>Original MASTER DEED: Not Addressed The original document did not address this issue. We need to occasionally update our HOA documents, the Master Deed, Bylaws, etc. This provision clearly outlines the procedure.</p>
<p><i>Item 33 Article IV Section 2 E (3)</i> This Master Deed provision outlines the Association’s liability during the Covid-19 pandemic.</p>	<p>Original MASTER DEED: Not Addressed The original document did not address this issue. The Association is committed to keeping everyone safe during these unprecedented times.</p>