

## **2019 Information Meeting**

### **Q & A with Attorney Matthew Heron, Hirzel Law**

#### **Multi-unit buildings must be rebuilt if destroyed.**

Repair /reconstruction of a unit comes from the **Michigan Condominium Law (MCL)** and is not a change from our current Bylaws.

#### **Right to rent your unit and Rent Ratios.**

These **provisions have been removed** from the revised Bylaws and will be determined by a separate vote.

#### **Who decides what is immoral or obnoxious, as it could be considered a matter of interpretation, and what standards would apply?**

Board is underlined by the requirement that they **act reasonably in both their administration and interpretation** of the governing documents.

#### **Catastrophic damage, in an event rendering the home unlivable, and the insurance money to be used in order to rebuild or repair. In the language of the Bylaws, it does say the insurance money is to be turned over to the HOA. What does that mean?**

**Association will insure the General Common Elements and sometimes the Limited Common Element.** Then it becomes a question of **primary versus secondary insurance** with the co-owner, which is each of you, at a minimum, insuring the unit and any Limited Common Element that you are responsible for.

#### **Regarding firearms, the proposed Bylaws doesn't address owning a gun but does refer to firing a gun.**

**No one is allowed to fire a weapon** within the Association for recreation, hunting or **for any reason**. If a member did fire off a gun once or regularly, Bylaw violation would be the least of your concerns.

#### **What are we agreeing to by voting on the new Bylaws?**

The **MI Condo Act sets the parameters** as to what the governing documents must look like and what must be in them or what can't be in them. You are agreeing to adopt changes made in the Mi Condo Act when it was amended.

#### **Mortgage Company vote vs Homeowner vote**

Once the documents are approved by the Homeowners, the Mortgage Companies will have a vote. FYI, **homeowners owning multiple units get a vote for each unit they own.**

**Mortgagee Form** asks for your mortgagee information.

We only need your mortgage company information, name and address. We **cannot see the amount of your mortgage** and we **do not want to know what it is**. If we had to look up all 758 units for the mortgagee information at the Register of Deeds office, it would be quite expensive. **It is not used to get mortgage balance information.**

When these new **documents will be in effect.**

New documents will go into effect once it has been recorded. Mortgagees have 90-days to vote, so they will have a chance to **vote after we pass the Bylaws.**

Legal **Marijuana** use and what can be done if a homeowner is a user and the adjoining **homeowner finds it intrusive?**

The first thing in our documents states that you **cannot do anything illegal or engage in illegal conduct.** Marijuana use is still evolving but has remained **unchanged at the Federal level.** The position the new document is taking is that the Board is not in the business of enforcing marijuana laws due in part to the conflicting position taken between State & Federal laws.

Co-owners **not keeping up their property** and a problem with **absentee landlords.** She didn't understand what can be done about it when all the Association can do is place a lien on the unit for fines incurred.

No one wants a lien on their property because it is a cloud on the title, and it is important to remember that a lien can be foreclosed. The tools available to the Association are fines, lawsuits and liens against the property.

Rights of the Association to **sticker and tow vehicles.** How can the HOA do this if we don't have control of the streets?

If a vehicle is stickered and towed it is in violation of the Bylaws. We don't need control of the streets in order to enforce the Bylaws. There is some parking limitation that already exists within the current Bylaws.

The Association can **review and approve rental applicants.**

The following is in the MI State Condo Act. And the intention for that is; a.) it is word for word from the Act.; b.) it is intended that **the lease is supposed to reference & incorporate the Master Deed & Bylaws,** c.) that provision is required to be in the Bylaws to give the Board the opportunity to make sure that **tenants are being told by their landlords that they are subject to the Condominium documents.**

## What about a **lease service charge**?

On page 24 of the proposed Bylaws, the Board would have the ability to impose a **lease service charge**, so if someone had to go to the unit to do something, a repair due to water leak or sewage problem, there could be a service charge associated with that to reimburse the Association.

## If I Will my unit to my child, technically a change of ownership, would that mean that **she would not be able to rent it**?

This has been **removed from the newly proposed Bylaws** for a vote at a later time.

## If the proposed amendments **don't pass**, are we vulnerable to a situation where we have **no control, and someone can come in and buy 50 units** and rent them out?

There is a leasing provision in the current Bylaws that would need to be complied with. **HOWEVER**, it **doesn't contain a 25% limitation** and the MI Condo Act does describe what a landlord must do in order to rent.

## There is a **marijuana grow operation** near them and it impacts the unit owner adjoining it. Is there anything in these documents that could **address this going forward**?

A grow operation would be considered a business and business are prohibited. Matt responded that he would suggest that they look at the **permitted use provisions** Article VI, Section 1A which requires everything (all units) be used for residential use. There are certain at home office uses that are permissible listed.

## The Association has the right to go onto "our property to do something and that they can **tear down your garage or addition to do whatever they decide to do and that the owner would be responsible to replace those items**".

If you want to make a change or construct something, the **ACC has the ability to say Yes or No**. If something has fallen into disrepair and is not being kept up by the homeowner, the Association will be able to tell you that you need to bring it up to whatever maintenance standards that exists, and **if you refuse to do it, the Association would go to court to get an order to say we can fix it**.

## If the new Bylaws are approved, and something **needs to be changed later**, what is the procedure for that if someone is unhappy with a particular section?

This is a thumbs up or thumbs down vote on this process. **It is possible to do a singular spot amendment** on a singular issue depending on whether or not it affects co-owner's rights.

How the term **condominium is defined** as it is used numerous times in the governing documents.

It is the physical perimeters of the Villages of Oscoda and all the mortgages that have recorded against the unit in the condominium.

If an adjoining unit were to burn down, **would they need 66 2/3 %** of all of the co-owners and the mortgagees of the units to approve them **not rebuilding the unit?**

This is **true** with the proposed documents.

What are the consequences if the **new Bylaws don't pass?**

1.) Each time the Mi Condo Act is amended, the related provisions in our Bylaws, that the new law changes, would be unenforceable. It is important to update/amend our Bylaws so that our Bylaws **stay in compliance with the state law.**

2.) Mortgagees (the banks) are reluctant to approve mortgage applications within Associations with outdated Bylaws because those Bylaws won't contain the new changes or protections that were made or added to the state law.

What are the guidelines for "**Aesthetically Pleasing**" from the perspective of the ACC?

The ACC is intended to **maintain the continuity of the appearance of the community.** That is fairly broad but accurate.

### **Guidelines on Fines:**

To better protect the homeowners, there are two provisions on this. There is a **provision regarding remedies on default** and a **separate provision regarding fines.** The goal of these is to provide notice of fines so you know in advance what the fines would be. It is a staggered sequence starting at \$50 and going up to \$250.