

## Section 2. Leasing and Rental of Units.

**A. Definition of Lease.** For purposes of these Condominium Bylaws, "lease" shall refer to the following situations:

(i) *Nonoccupancy by Owner.* Any occupancy agreement, whether or not in writing or for rent or other consideration, where the Unit is not occupied by the Owner, or an immediate family member of the Owner shall be considered a lease.

(ii) *Third Party Occupancy.* Any form of occupancy agreement or arrangement under which the Owner of a Unit permits another Person to occupy all or less than all of a Unit for rent or other consideration shall be considered a lease.

The term "lease" shall include, but is not limited to, an oral or written lease, an oral or written license, or an occupancy or possessory arrangement facilitated by AirBNB, Expedia.com, VRBO.com or any other similar format, website or online platform. Short term leases of less than six (6) months are prohibited. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Bylaws and all leases, rental agreements and occupancy agreements shall so state.

**B. Right to Lease.** No Co-owner may lease any Unit within the Condominium, with the exception of those Units properly under an approved lease as of the effective date of the Amended and Restated Consolidating Master Deed, except upon the written approval of the Association. Co-owners leasing their Units as of the effective date of the Amended and Restated Consolidating Master Deed will be entitled to continue leasing their Units, provided the provisions of the Condominium Documents are strictly followed and a signed lease is on file with the Association prior to the effective date of the Amended and Restated Consolidating Master Deed. 22 June 6, 2022 In the event of a sale or transfer of ownership of a leased Unit, or in the event such a Unit is no longer being leased or held out for lease, all automatic rights to lease that Unit will terminate and no further leasing of the Unit will take place without full compliance with the provisions in this Section. In addition to the above prerequisites and limitations, no Co-owner will lease less than an entire Unit in the Condominium, and all leases will:

- (i) be for an initial term of no less than six (6) months;
- (ii) require the lessee to comply with the Condominium Documents;
- (iii) provide that failure to comply with the Condominium Documents constitutes a default under the lease; and
- (iv) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days' prior written notice to the Co-owner in the event of a default by the tenant in the

performance of the lease including for violation of any provisions of the Condominium Documents.

**C. Corporate Ownership.** Whenever any Unit is owned by a corporation, partnership, trustee, or other entity, such Co-owner through its officers or agents, i.e., president or chief executive officer, partner, or trustee, must designate in writing one particular person or family that is entitled to occupy the Unit. The designated person or family must be an employee of or have an ownership or legal interest, e.g., being a named beneficiary of the trust, in the entity owning the Unit; otherwise, the occupancy arrangement for that will be considered a "lease." Only the designated person or family, its caregivers, co-habitants, and guest may use the Unit. In the event such Co-owner wishes to designate another person or family as the person or family entitled to use the Unit, the Board of Directors must approve the occupancy of the unit by the new person or family. The intent of this limitation being to prevent the purchase and use of any Unit for corporate housing purposes. The Board of Directors may adopt and enforce Rules and definitions in furtherance, but not in contradiction, of this provision. The Board of Directors further has the authority to deny occupancy of any Unit by any person or family if the Board of Directors, in its sole discretion, determines that the Co-owner of such Unit is intending to or seeking to circumvent the meaning or intent of this Article VII, Section 2(C).

**D. Procedures for Leasing.** The leasing of Units in the Condominium will conform to the following provisions in accordance with the Michigan Condominium Act, MCL 559.212(2):

(i) A Co-owner desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and will supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. The Association will be entitled to approve or not approve any such proposed lease transaction in accordance with the provisions of this Section. The Association may also require the use of a standard lease form. If no lease 23 June 6, 2022 form is to be used, then the Co-owner will supply the Association with the name and address of the potential lessee or other occupant(s), along with the amount and due dates of any rental or compensation payable to the Co-owner, and the term of the proposed arrangement. Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and phone number(s). The Board of Directors may charge such reasonable administrative fees for reviewing, approving and monitoring lease transactions in accordance with this Section as the Board, in its discretion, may establish. Any such administrative fees will be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II above. This provision will also apply to occupancy agreements.

(ii) Tenants or non-Co-owner occupants will comply with all of the conditions of the Condominium Documents and all leases and rental agreements will so state.

(iii) If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association will take the following actions:

(a) The Association will notify the Co-owner by certified mail advising of the alleged violation by tenant.

(b) The Co-owner will have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(c) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association an action for eviction against the tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section may be by summary proceeding, although the Association may pursue relief in any Court having jurisdiction and whether by summary proceeding or otherwise. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Unit. The Co-owner will be responsible for reimbursing the Association for all costs incurred in obtaining judicial enforcement of its rights, including reasonable attorney's fees.

(iv) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement. After receiving the notice, the tenant will deduct from rental payments due the Co-owner the arrearage 24 June 6, 2022 and future assessments as they fall due and pay them to the Association. The deductions will not be a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent, otherwise due the Co-owner, to the Association, then the Association may (1) prohibit the tenant from utilizing any of the General Common Elements of the Condominium, (2) issue a statutory Notice to Quit for non-payment of rent and enforce that notice by summary proceedings and/or (3) initiate proceedings pursuant to MCL 559.212(4)(b) of the Condominium Act