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THIRD AMENDMENT TO THE MASTER DEED OF HIDDEN HARBOR CONDOMINIUM

This Third Amendment to the Master Deed of Hidden Harbor Condominium is made and executed this 30^{+4} day of 30^{-4} , 2018, by Hidden Harbor Condominium Association, a Michigan nonprofit corporation (the "Association"), in pursuance of the provisions of the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended (the "Condominium Act").

RECITALS:

A. The Association, the nonprofit corporation organized for the administration and management of Hidden Harbor Condominium (the "Condominium"), a condominium project established pursuant to the Master Deed recorded in Liber 9852, Pages 771 et seq., as amended by the First Amendment recorded in Liber 10244, Pages 782 et seq., and Second Amendment recorded in Liber 17192, Page 292 et seq., Oakland County Records (the "Master Deed"), and known as Oakland County Condominium Subdivision Plan No. 491, desires to amend the Condominium Bylaws, Exhibit A to the Master Deed (the "Condominium Bylaws"), pursuant to the authority granted by Sections 90, 90a and 112 of the Condominium Act (MCL §§559.190, 559.190a and 559.212), for the purpose of revising the leasing and rental restrictions.

B. This Amendment neither enlarges the Common Elements of the Condominium nor alters the formula for determining existing percentages of value in the Condominium.

C. The Master Deed shall be amended upon recording with the Oakland County Register of Deeds as required by Section 73 of the Condominium Act (MCL §559.173).

NOW THEREFORE, the following changes are hereby made to the Master Deed:

1. Article VI, Section 16 of the Condominium Bylaws shall, upon recording of this Amendment with the Oakland County Register of Deeds, be deleted in its entirety and replaced with the following new Section 16:

Section 16. Leasing and Rental of Units.

A. <u>Right to Lease</u>.

(1) A Co-owner may only lease a Unit for the same purposes as set forth in Article VI, Section 1, and only if the Co-owner (a) is in compliance with this Section 16, (b) has followed the disclosure procedures contained in subsection C below, and (c) obtained the Board of Director's prior written

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approval as more fully set forth in this Section 16.

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Except for the registered Co-owner(s) of the Unit as of the (2)effective date of the Third Amendment to the Master Deed, the Board of Directors shall not grant approval if (1) the leasing of such Unit would result in any one person or entity (including affiliates or commonly owned entities) leasing more than 1 Unit at any given time, or (2) the leasing of such Unit would cause the total number of leased Units in the Condominium to exceed twenty-five percent (25%). Registered Co-owner(s) who were permitted to lease their Units as of the effective date of the Third Amendment to the Master Deed, shall be entitled to lease in the future or continue leasing their Units despite the foregoing limitations on the number of Units that may be leased, provided that the registered Co-owner(s) reregister with the Association every fifth year following the effective date of this amendment confirming that the registered Co-owner(s) remain the sole owner(s) of the Unit in question. The Association shall prepare the form required for reregistration by the Co-owner(s). In the event of a sale or transfer of ownership of a Unit, or in the event the registered Co-owner(s) fail to re-register every fifth year with the Association on the form provided by the Association, all automatic rights to lease that Unit shall terminate and no leasing of the Unit shall take place without first obtaining the written approval of the Board of Directors in compliance with these provisions.

(3) Subject to the provisions of subsections (1) and (2), no Coowner shall lease less than an entire Unit, and all leases shall (i) be for an initial term of no less than 12 months, (ii) require the lessee to comply with the Condominium Documents, and (iii) provide that failure to comply with the Condominium Documents constitutes a default under the lease.

(4) No Co-owner shall accommodate transient tenants or occupants. For purposes of this Section, "transient tenant or occupant" refers to a non-Co-owner occupying a Unit for less than sixty (60) days and who has paid consideration for the occupancy. For purposes of this Section, "lease" refers to any occupancy agreement, whether or not in writing or for rent or other consideration, where the Co-owner does not occupy their Unit as a primary or secondary residence for a majority of the year, and includes, without limitation, occupancy of the Unit solely by non-co-owners.

(5) The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the Condominium Document provisions. The Association may require the use of a standard lease addendum to ensure compliance with the requirements of this Section.

B. <u>Exception to 25% Leasing Limitation</u>. Notwithstanding the provisions contained in subsection A above or anything to the contrary contained in the Condominium Documents, the Association recognizes that

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circumstances may arise beyond a Co-owner's control that may justify an exception to allow the temporary leasing of a single Unit, regardless of the 25% rental limitation. Therefore, under the following circumstances, but only for so long as such circumstances exist and only so long as the Co-owner has occupied the Unit for the immediately preceding six (6) months and the leasing of the Unit will not result in that Co-owner or any related person or entity leasing more than 1 Unit, a Hardship Committee selected by the Board may allow a Co-owner to lease their Unit even though 25% or more of the Units may already be leased:

(1) A Co-owner must relocate to a nursing home or similar facility for a period likely to exceed six (6) months;

(2) A Co-owner must relocate for medical purposes (treatment, rehabilitation, or recuperation) for a period likely to exceed six (6) months;

(3) A Co-owner must relocate for employment purposes for a period likely to exceed six (6) months;

(4) A Co-owner or the estate of a Co-owner must rent a Unit due to an inability to sell the same without incurring a financial loss because of mortgage liens recorded against the Unit exceeding the fair market value of the Unit; or

(5) Any similar extenuating situation approved by the Hardship Committee selected by the Board of Directors. The Hardship Committee shall consist of five (5) members, two of whom shall be Directors, two of whom shall be non-director Co-owners and one of whom shall be an employee or agent of the Association's managing agent.

C. <u>Procedures for Leasing</u>. The leasing of Units shall conform to the following additional provisions:

(1) <u>Disclosure</u>. A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential tenant, and shall at the same time supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. Each Co-owner shall, promptly following the execution of any approved lease of a Unit, forward a true copy of the fully executed lease to the Board along with a receipt acknowledging that the tenants received a complete set of the Condominium Documents. If no lease form is to be used, then the Co-owner shall supply the Association with the name and address of the potential tenant or other occupants, along with the amount and due dates of any rental or compensation payable to the Co-owner, and the term of the proposed occupancy 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.

(2) <u>Administrative Fee</u>. 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 shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II of these Bylaws.

(3) <u>Compliance with Condominium Documents</u>. Tenants and non-Co-owner occupants shall comply with the Condominium Documents.

(4) <u>Default by Tenant or Non-Co-owner Occupant</u>. If the Board determines that a tenant or non-Co-owner occupant has failed to comply with the Condominium Documents, the Association may take the following action:

(a) <u>Notification</u>. The Association shall notify the Coowner by certified mail advising of the alleged violation.

(b) <u>Time to Cure</u>. The Co-owner has fifteen (15) days after receipt of such notice to investigate and correct the alleged tenant or non-Co-owner occupant breach or advise the Association that a violation has not occurred.

(c) <u>Remedies</u>. 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 the tenant, the non-Co-owner occupant and the Coowner liable for any damages caused by the Co-owner, tenant or non-Co-owner occupants. The Co-owner shall be responsible for reimbursing the Association for all costs incurred because of a tenant's or non-Co-owner occupant's failure to comply with the Condominium Documents, including the pre-litigation costs and actual attorneys' fees incurred in obtaining their compliance with the Condominium Documents.

(5) <u>Notice to Pay Rent Directly to Association</u>. When a Coowner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the Co-owner's tenant or non-Co-owner occupant and the tenant or non-Co-owner occupant after receiving the notice shall deduct from their rental payments to the Co-owner the arrearage and future assessments as they fall due and shall pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant or non-Co-owner occupant. If the tenant or non-Co-owner occupant, after being so notified, fails or refuses to remit rent to the Association that is otherwise due the Co-owner, then the Association may (1) prohibit the tenant from utilizing any of the General Common Elements, (2) issue a statutory Notice to Quit for nonpayment of rent, and enforce that notice by summary proceedings, and/or (3) initiate proceedings pursuant to Section 112(4)(b) of the Condominium Act.

D. <u>Rent Loss Insurance Coverage</u>. Those Co-owners that rent their Unit are advised to obtain insurance coverage for reimbursement of rental income that may be lost while the Unit is being repaired, rebuilt or is otherwise not capable of being occupied. The Association shall have absolutely no responsibility for obtaining such coverage and Co-owners shall have absolutely no claim against the Association for lost rental income.

E. <u>Lender Exception</u>. Notwithstanding anything to the contrary and except for the prohibition on transient tenancies, first mortgage lenders or first mortgagee guarantors in possession of a Unit following a default of a first mortgage, foreclosure, or deed or other arrangement in lieu of foreclosure shall not be subject to the restrictions contained in this Section 16 and which relate to the term of any lease or rental agreement.

F. <u>Department of Veterans Affairs Exception</u>. To the extent that any provision set forth in the Master Deed and Bylaws, as amended, regarding leasing and a right of first refusal is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations ("DVA Financing"), such provision shall not apply to any Unit that is:

- (1) Encumbered by DVA Financing; or
- (2) Owned by the Department of Veterans Affairs.

G. <u>Amendments for Secondary Mortgage Market Purposes</u>. The Association may amend this Section 16 to facilitate mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, Michigan State Housing Development Authority or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages. The foregoing amendments may be made without the consent of Co-owners or mortgagees. 2. In all other respects, the Master Deed, including the Condominium Bylaws applicable as Exhibit A, and the Condominium Subdivision Plan applicable as Exhibit B, as previously amended and recorded, are hereby ratified and confirmed.

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[SIGNATURE AND ACKNOWLEDGMENT ON FOLLOWING PAGE]

The Association has caused this Third Amendment to be executed the day and year first above written

Hidden Harbor, Condominium Association, a Michigan Nonprofit Corporation

Bv: Name: 34

Title: President

INDEANA STATE OF MICHIGAN) Steuben)ss: COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this <u>30</u>th day of <u>July</u>, 2018 by <u>July</u>, the President of Hidden Harbor Condominium Association, a Michigan Nonprofit Corporation, on behalf of the Corporation.

, Notary Public County, Michigan frede Acting in struker County, Michigan Indiana My Commission Expires: October 24, 2024

Document drafted by and when recorded return to: Jeffrey L. Vollmer, Esq. Makower Abbate Guerra Wegner Vollmer PLLC 23201 Jefferson Ave. St. Clair Shores, MI 48080

CERTIFICATION

STATE OF MICHIGAN)
) SS
COUNTY OF OAKLAND)

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I, Robert Bakula, being first duly sworn, depose and state as follows:

- 1. I am the managing agent for Hidden Harbor Condominium Association, the corporation named in and which executed the Third Amendment to the Master Deed of Hidden Harbor Condominium.
- 2. The Third Amendment to the Master Deed of Hidden Harbor Condominium was submitted to all Co-owners of Units in Hidden Harbor Condominium for the purpose of voting on such documents. The Co-owners approved the documents by a vote of more than twothirds of all Co-owners entitled to vote.
- 3. The records of the Co-owner consents are maintained at the offices of Hidden Harbor Condominium Association.

⁄Robert Bakula

Acknowledged, subscribed and sworn to before me this $\frac{30}{20}$ day of $\frac{100}{200}$, 2018.

Acting in Oakland

Notary Public County, Michigan County My Commission Expires: 9-10-2022

RACHAEL ALISA BATES NOTARY PUBLIC - STATE OF MICHIGAN COUNTY OF OAKLAND My Comm. Exp. 09/10/2022 Acting in the County of COVLAVA Date 1 201 201



CERTIFICATION

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

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I, Jeffrey L. Vollmer, being first duly sworn, depose and state as follows:

- 1. I am the attorney for Hidden Harbor Condominium Association, the Corporation named in and which executed the attached Third Amendment to the Master Deed.
- 2. We sent a copy of the Third Amendment to the Master Deed of Hidden Harbor Condominium and the ballot and notice required under Section 90A of the Michigan Condominium Act to all first mortgagees of record of those Units qualified to vote, as listed in the records of the Oakland County Register of Deeds for the purpose of obtaining approval of said mortgagees to the Third Amendment to the Master Deed of Hidden Harbor Condominium.
- 3. Two-thirds (2/3^{rds}) of said mortgages have consented to the attached Third Amendment to the Master Deed of Hidden Harbor Condominium in accordance with the provisions of Section 90A of the Michigan Condominium Act. Said consents will be maintained for a period of two years in Hidden Harbor Condominium Association records located in my office at 30140 Orchard Lake Rd., Farmington Hills, MI 48334.

Jeffrey L. Vollmer

Acknowledged, subscribed and sworn to before me this 3rd day of August, 2018.

Acting in Maismb

Notary Public County, Michigan County My Commission Expires: (, 23/2024

MICHELLE E. ZENDER NOTARY PUBLIC, STATE OF MI COUNTY OF MACOMB MY COMMISSION EXPIRES Jun 23, 2024 ACTING IN COUNTY OF Maic and