

HIDDEN HARBOR CONDOMINIUM ASSOCIATION

RULES & REGULATIONS

JUNE 2015

This edition of the Hidden Harbor Rules and Regulations replaces and supersedes any and all prior editions of the Hidden Harbor Rules and Regulations.

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NOTES

1.00 INTRODUCTION

The purpose of this handbook is to provide information pertaining to the Rules and Regulations to the co-owners and residents of Hidden Harbor. It is not intended to cover the details of all of the rules of the Condominium Documents or Board of Directors rulings. It is intended to provide as much information as possible in a condensed, organized fashion.

From time to time, each co-owner may be given new or updated information which should be added to this handbook. Such information, when received, should be attached and retained in the appropriate section as identified by the numbering system. Any new or updated information will be sent first class mail to the designated voting representative co-owner.

Any deviations to these rules will require Board of Directors approval.

In the event the Rules and Regulations conflict with the Hidden Harbor Condominium Association Documents (Master Deed, Association Bylaws, Condominium Bylaws), or the Michigan Condominium Act, State or Federal law, Condo Act documents and laws shall govern.

Masculine pronouns may be used in this document for literary convenience.

THIS HANDBOOK SHOULD BE KEPT IN A CONVENIENT LOCATION FOR READY REFERENCE. Co-owners selling their unit are required to provide their copy of these rules and regulations to the new co-owner buyer.

2.00 RULES AND REGULATIONS

These rules and regulations originated in the Hidden Harbor governing documents distributed to each co-owner upon original purchase of their unit. A copy of the governing documents (Master Deed & Bylaws) can be obtained through the management company or through Oakland County. Charges will apply.

As questions were raised about specifics not covered in the original documents, the Board of Directors established additional rules-that are also listed herein.

2.01 OCCUPANCY & LEASING RESTRICTIONS

All condominium units are restricted in use to a single-family residence only.

A co-owner may lease his unit for purposes consistent with single-family residential use. Co-owners must disclose that they intend to lease their unit by providing the Board, through the Management Company with a copy of the lease at least 10 days prior to the lease date.

The entire unit must be leased. The lease term cannot be less than 6 months in length.

Tenants or non-co-owner occupants shall comply with all conditions of the condominium documents and all leases and rental agreements shall so state. In the event that tenants or non-

co-owner occupants of a unit are found to be in violation of the condominium documents, or these rules and regulations, enforcement (following proper notice) may include fines against the unit owner and eviction of the tenants by the association. All costs of such an eviction will be charged against the unit owner.

Co-owners leasing their units must provide the Association with their off-site contact information, including mailing address, email address and phone number. Additionally, the Association shall be provided with the names and phone number of all adult tenants residing in the unit.

2.02 GENERAL CONDUCT/ACTIVITIES

No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, nor shall anything be done which may be or become an annoyance or nuisance to the co-owners of the condominium.

No unreasonably noisy activity shall occur in or on the common elements, or in any unit at any time. Disputes arising as a result of this provision between co-owners shall be arbitrated by the Association.

No co-owner shall do or permit anything to be done that will increase the rate of insurance on the condominium without the written approval of the Association. Each co-owner shall pay to the Association the increased cost of insurance premiums resulting for any such activities.

Each co-owner shall maintain his unit and exclusive use limited common element in a safe, clean, and sanitary condition. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and decks /balconies shall not be obstructed or used for any other purpose than what they are intended unless approved by the Board.

No usage, growth, and/or distribution of marijuana within any unit, or upon the common elements, is allowed. Due to the smell, which is often considered an annoyance or nuisance to residents, and due to the nature that it is illegal under federal law, marijuana is expressly prohibited.

Live Christmas trees are prohibited due to the fire hazard they represent as well as the potential for increased insurance costs.

2.03 WIND CHIMES

Wind chimes are allowed to be installed upon the co-owner's exclusive use limited common element. However, should the association receive complaints from immediately neighboring co-owners on account of noise or annoyance of such wind chimes, upon written notice the wind chimes must be removed.

2.04 WEAPONS & FIREWORKS

The USE or DISPLAY/BRANDISING of any weapons, including but not limited to; firearms, air rifles, pellet guns, BB guns, bows and arrows, sling shots, or other similar weapons, projectiles, or devices, upon the common elements is expressly prohibited. Lawful carrying of firearms in accordance with State law is not governed by these rules and regulations.

2.05 AMERICAN FLAGS/NATIONAL ENSIGN

Co-owners may display the American flag, in accordance with US Code & Michigan State Law upon their exclusive use limited common element. Display of a flag upon the general common elements (i.e. attached to the building) from a standard bracket & post will be granted upon written request detailing the location of the bracket. The Association reserves the right to restrict specific location of bracket installation as to avoid interfering with maintenance issues, infringing upon other co-owners, and in areas that would be disrespectful to the flag. Flag size is limited to a standard 3' x 5' size. The display of the flag must be in full accordance with US Code.

2.06 ALTERATIONS/MODIFICATIONS

ALL alterations in exterior appearance and ALL structural modifications require advanced, written approval by the Board of Directors before any work or change shall commence. This includes, but is not limited to: planting any shrubs or flowers, landscaping lights, installation/placement of decorative items, exterior painting, erection of antennas & lights, installation of awnings, door & window replacements, shutters, basketball backboards, or anything else that may alter the exterior appearance, be attached to the building, or represent a structural change.

If a co-owner is in doubt about what constitutes an alteration or structural modification that requires approval, that co-owner is strongly encouraged to contact the management company prior to beginning any work, purchasing any materials, etc.

Any and all costs, including legal fees that result in the restoration of common elements, limited or general, to their original condition as a result of an unapproved alteration or modification shall be the offending co-owner's responsibility.

No co-owner shall perform any landscaping or plant any tree, shrub or flowers, or place any ornamental materials upon the common elements without prior written approval from the Association.

2.07 HOLIDAY DECORATIONS

Year-end holiday lighting is permitted on trees and shrubs on the common grounds. Lighting attached to the building & gutters is permitted WITH WRITTEN APPROVAL from the Board of Directors. Co-owners with direct/immediate access to “shared” lawns are encouraged to consult with their neighbors before installing any lights upon common trees & shrubs.

Decorations that are free standing are prohibited upon the common ground area UNLESS approved in writing by the Board of Directors. Inflatable decorations are expressly prohibited.

Year-end holiday lighting may be displayed from Thanksgiving Day until January 15th.

Other holiday decorations (e.g. Halloween, Easter, Independence Day) may be displayed with written approval from the Board of Directors.

Decorations may not interfere with association maintenance requirements, including shrub trimming, lawn cutting, snow removal, gutter cleaning, etc.

Decorations may not be plugged into any common outlets or fixtures. The cost for operating electric decorations, devices, lights, etc., is the co-owner’s.

2.08 PET RESTRICTIONS

Co-owners may maintain one cat or one dog without the need for prior written approval from the Board of Directors. Additional pets or other, non-exotic pets may be kept, i.e. birds, with approval from the Board of Directors. There is no restriction on aquarium fish except that Co-owners are required to take due care to ensure that the structure of the unit is sufficient for the size of their aquarium.

No animal may be kept or maintained for any breeding or commercial purpose. No savage or dangerous animal may be kept.

Co-owners with pets must exercise such care and restraint with the animal so as not to be offensive on account of noise, odor, or unsanitary conditions. Excessive barking is not permitted and must be controlled.

All animals upon the common elements must be leashed AND attended by some reasonable person. Tethering of an animal (that is tying/attaching a leash to the building or an object, and just letting the animal out, unsupervised) is expressly prohibited.

The Association may charge all co-owners with animals a reasonable additional assessment to defray the maintenance costs of accommodating animals. The Association may require the registration of pets. Co-owners are required to follow all local and State ordinances, including any licensing requirements.

All pet droppings/waste is to be immediately collected by the pet owner upon deposit and properly disposed.

It is the duty of all co-owners owning pets to ensure that their unit insurance coverage includes liability coverage associated with their pets. Personal liability limits of at least \$1,000,000.00 are recommended. The Association assumes no liability for any animal on the premises.

2.09 STORAGE

The common elements shall not be used for storage of supplies, materials, or personal property. This includes hoses & hose reels, trash containers, empty pots, toys, etc. The common elements shall not be used in any way for drying, or airing of clothing or other fabrics.

No unsightly condition shall be maintained on any patio, porch, balcony, deck, etc.

Mechanical rooms are considered limited common elements. Co-owners are permitted to utilize these rooms for storage, so such storage does not interfere with access to items of Association maintenance responsibility. In the event a co-owner locks their mechanical room, access information/control must be provided to the Association (i.e. a key, or the combination to the lock).

The crawl space under the buildings may be utilized for the storage of seasonal decorations and furniture, with approval of the Board of Directors. Such storage is limited to the cement pad area. No gasoline, propane, explosives or other similar items may be stored in the crawl space.

Co-owners may also utilize the carport storage rooms for the storage of personal property. However, such areas are to be maintained in a neat and orderly fashion. Both the carport storage areas and the crawl space is subject to periodic review by the Board of Directors, who may require items to be removed as reasonably necessary.

2.10 VEHICLES

The following are not allowed to be parked or stored upon the premises of the condominium without specific written approval of the Board of Directors: house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than motorcycles, automobiles or vehicles used primarily for general personal transportation purposes. All vehicles parked upon the common elements are to be properly registered and tagged.

The Association reserves the right, under the bylaws, to restrict or prohibit non personal use automobile vehicles from parking anywhere upon the common elements.

Motorcycles are allowed.

RV's, motor homes, trailers, boats, etc., may be parked upon the common elements, with advanced approval from the Management Company for a period of not greater than 24 hours for the purpose of loading and unloading. Such parking may not block access to other parking spaces, unit entry, etc.

The washing of vehicles within the community is highly discouraged. Should vehicles be washed, a biodegradable soap is required to be used for the health of the lake.

Boats and boat trailers may be parked in the community in an area designated by the Board of Directors, from time to time. Boat parking will be restricted in use to boats that are utilized on Eagle Lake. The Association may charge co-owners who are given approval to park their boat/trailer in the designated area, a reasonable additional assessment to defray the maintenance costs of maintaining the area. The Association may require the registration of boats and trailers. Due to limited space, boat parking shall be limited and additional restrictions may be determined by the Board of Directors from time to time, to help ensure equitable usage of the boat parking area.

Boats being parked within the designated area that have not been used for the period of 12 months must be removed. The Association assumes no liability for any boat or trailer parked within the community.

2.11 RUBBISH REMOVAL

Trash receptacles, to be used in accordance with the waste hauler & municipal requirements.

2.12 VACANT/TEMPORARILY UNOCCUPIED UNITS

In the event of either a short-term (vacation) or long-term (moving/foreclosure) vacancy of a unit occurs, the co-owner / mortgage holder shall be obligated to maintain minimum electric and gas service to that unit. All units must maintain a minimum temperature of 60 degrees during the heating/cold weather season. Any damage that occurs as a result of burst pipes, or other issues that could have reasonably been avoided had the unit been occupied will be the co-owner's responsibility to bear the cost.

2.13 SIGNS AND ADVERTISING

No signs or other advertising material, including For Sale or For Rent signs are permitted.

2.14 RIGHT OF ACCESS & EMERGENCY CONTACT INFO

The Association, or its agents, shall have access to each unit and any limited common elements, including furnace/mechanical rooms, from time to time as necessary during reasonable hours, with notice to the co-owner for maintenance, inspection, repair, or replacement of the common elements.

In the event of an emergency, notice requirements to the co-owner are waived. Co-owners are strongly encouraged to provide the Association with current phone numbers and emergency contact information.

Co-owners are required to allow the Association access to their unit for the purpose of inspecting the water distribution system and other common elements in accordance with these rules and the bylaws.

2.15 SATELLITE DISH ANTENNAS

Satellite dish antennas are not allowed due to the positioning on the roof for signal reception causing damage to roof materials and structure.

2.16 ESTATE AND "CARPORT" SALES

Estate sales are permitted. Co-owners desiring to hold an estate sale must notify the association at least 14 days in advance. Estate sales are to be conducted and coordinated by a professional estate sale company. Only the co-owner or legally appointed representative for the unit may request approval for the sale.

Estate sales are permitted only on Thursday, Friday, and Saturday. No more than 2 straight weekend sales are permitted for the same unit. Signs and balloons are allowed upon the common elements for the purpose of advertising the sale and directing parking.

All such signs must be removed at the end of the sale on each day.

The sale hours are limited to 9:00 Am to 5:00 PM on the days allowed.

The co-owner of the unit hosting the sale is responsible to ensure that all parking regulations, fire lanes, etc., are followed. Parking cannot block access and egress to any unit, any assigned parking area, etc.

Failure to comply with these requirements will result in the immediate imposition of a fine.

Carport type garage sales are permitted with approval from the Board, contingent upon multiple units engaging in the carport sale at the same time.

2.17 UNIQUE MAINTENANCE ISSUES

Water softeners are maintained by the Association. Each building has one softener. Salt amounts are controlled by the Association and are balanced, as necessary, to soften the water while keeping maintenance and supply costs as low as possible.

For those units that have hot water tanks in their furnace/mechanical rooms, it is strongly recommended that the co-owner properly insulate these pipes to help avoid freezing during the winter months. In the event of a leak due to a frozen pipe, any costs incurred may be charged back to the co-owner of the unit as the failure to wrap the pipe may be deemed negligence and/or as a result of co-owner fault.

Main water shut offs for each building are located in the crawlspace. Co-owners in building 1 needing to have the water shut off to their unit for plumbing repairs and upgrades must notify their neighbors and the Association at least 48 hours before shutting off the water to the building. Units in building 2 have labeled individual water shut offs in the crawl space specific to their unit. This allows residents of building 2 to shut off the water to their unit without affecting the rest of the building.

Specific to Building 1:

Co-owners who have plumbing maintenance performed are encouraged to have additional water shut offs installed within the unit so that supply to appliances and fixtures may be shut off for repairs without the need to shut off water to the entire building.

The Association provides water to building #1; the cost is included in their association dues. In addition, the two hot water tanks are the responsibility of the 8 building 1 co-owners to maintain, repair, and replace. Co-owners and residents in building 1 are asked not to access/adjust the hot water tank without specific approval by the Association.

2.18 DOCKS

Docks into Eagle Lake are controlled by the Association and are considered a general common element. Installation, removal, and replacement of docks shall be determined by the Association as necessary from time to time. Co-owners may, with specific written approval, and at the sole discretion of the Board, be allowed to donate a dock to the Association.

The Association may limit the number of docks allowed due to the limited space, safety concerns, and general aesthetics. Usage of docks shall be determined by the Board of Directors, as necessary based on the need for access to the lake, boat ownership, etc. Priority may be given to those who actively utilize a boat within the lake. Co-owners utilizing a boat will have dockage priority over non-owners. Dock usage may not be listed as an amenity in any lease for any renter.

The Association may charge co-owners who are given approval to utilize a dock, a reasonable additional assessment.

2.19 WATER BEDS & POOL TABLES, ETC

Due to the extra weight, and potential for water damage from leaks, the use of water beds within any unit is prohibited. Additionally, due to noise issues pool tables and ping pong tables are also prohibited within any unit.

2.20 FIRE PIT

A permanent special permit has been obtained by Hidden Harbor. A campfire is allowed in the designated fire pit located at the Northwest end of the property. Anyone using the fire pit is required to abide by all applicable laws and codes relative to burning, open flame devices, etc.

2.21 BBQ GRILLS

BBQ grills are allowed and permitted to be utilized by the co-owners with the following restrictions: NOT on the second floor. NOT on the decks/ balconies. NOT against the siding. Such usage must be in accordance with all applicable codes and laws governing a multi-family dwelling. Such codes and laws may include limitation on storage requirements, distances from the building, etc.

3.00 REPORTING VIOLATIONS

Any co-owner or resident may report the observance of an alleged violation of the bylaws or rules and regulations. The violation must be documented in writing by standard mail, web submission, or by email and provided to the management company. The notice must identify the address of the alleged offender and a description of the offense along with the section of the bylaws or rules and regulations that the alleged offender is violating.

Each co-owner has an undivided interest in the Association, it is the expected duty of each co-owner to report violations to the Association as they are noted.

4.00 REMEDIES FOR FAILURE TO COMPLY AND ENFORCEMENT

Upon any such violation being alleged by the Association, the following procedure will be followed.

Notice of the violation, including the provision allegedly being violated, along with a description of the alleged violation, shall be sent by first class mail to the alleged offending co-owner or personally delivered.

The offending co-owner will be given the opportunity to appear before the Board and offer evidence in defense of the alleged violation. Said co-owner may exercise his right to

a hearing by responding, in writing to the Association, within the deadline for compliance listed on the notice, but not greater than 21 days from the date of the original notice.

Failure to respond to the notice of violation and/or request a hearing constitutes a default.

Upon appearance by the co-owner before the board, and presentation of evidence, the board shall decide if a violation has occurred. The board's decision is final.

Fines will be assessed upon decision that a violation has occurred. No fine will be levied for the 1st offense. A \$25.00 fine may be levied for the 2nd violation, \$50.00 for the 3rd violation, and \$100.00 for the 4th and subsequent violation.

In addition to, or instead of, the assessment of fines, the Association is also entitled to pursue legal action to compel compliance. The Association may also enter upon the common elements or into any unit, where reasonably necessary, and summarily remove and abate, at the expense of the co-owner, any structure, thing or condition existing or maintained contrary to the provisions of the condominium documents.

A warning for a violation shall expire 12 months from the date of the notice, assuming that the violation was corrected within the terms of the notice. Should the co-owner again violate the same regulation within the 12 month warning period, then the appropriate fine will be levied against the unit.

5.00 ACTION TO CHANGE OR MODIFY BYLAWS OR RULES

The Master Deed and Bylaws may be amended with the affirmative vote of 66 2/3% of the co-owners (and unit mortgagees depending on the change).

Amendments to the governing documents may be PROPOSED by a vote of the majority of the Board Member or by 1/3rd of the co-owners by written petition.

Following the approval of a PROPOSED vote, whether proposed by the Board or by the Co-owners through petition, the process for voting and balloting as outlined in the governing documents and as detailed by the Association's Attorney, shall be followed.

Reasonable rules and regulations consistent with the Michigan Condo Act, Master Deed and Bylaws, concerning the use of the common elements may be made and amended by the Board of Directors. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than 50% of all voting co-owners.

It is the duty of the President to call a special meeting of the co-owners if directed by resolution of the Board of Directors or upon a petition signed by 1/3rd of the voting co-owners presented to the Secretary of the Association.

6.00 COLLECTIONS

In the event that a co-owner becomes delinquent on their assessments the Association shall pursue collection of the amounts in default through industry standard collection procedures.

A late date will be printed on the payment coupons or noted in any correspondence sent notifying co-owners of the amount of dues. Once said date has passed, a late fee shall be assessed by the Association.

Should the co-owner become 60 days delinquent (either in timing or by an equivalent dollar amount), the Association shall notify the co-owner of the Association's intent to file a lien on the unit. Such notice may be generated through the Association's attorney. Should the co-owner become 90 days delinquent (either in timing or equivalent dollar amount), the Association shall lien the unit.

Following the filing of a lien, the Association may, at any time as determined by the Board of Directors, should the delinquency continue, pursue the foreclosure of the Association's lien. Typically, such action would be initiated once the co-owner's total balance surpasses \$1,000, or is delinquent 150 days or more (either in timing or by equivalent dollar amount).

Once a delinquent account is turned over to the Association's attorney, the delinquent co-owner becomes responsible for all legal collection costs, which may include the notice of intent to file a lien, the filing of a lien, the discharge of a lien, and all foreclosure related costs. Delinquent co-owners are strongly encouraged to contact the Association immediately if a delinquency occurs.