

SUNWARD COHOUSING OF ANN ARBOR CONDOMINIUM

PROPOSED TWELFTH AMENDMENT TO THE CONDOMINIUM BYLAWS (EXHIBIT “A” TO THE MASTER DEED)

Version 12 – 5 March 2025

1. IT IS HEREBY PROPOSED that Article IX of the Condominium Bylaws of Sunward Cohousing of Ann Arbor Condominium be amended and restated to provide as follows:

ARTICLE IX RENTALS

1. **Purpose:** The goal of the rental policy is to authorize co-owners to rent out all or parts of their units, subject to limitations that prevent the commercialization of the homes in our community; protect property values; and preserve and encourage a stable and vigorous intentional cohousing community as described by Sunward’s mission, vision, and values.
2. **Definitions:**
 - a. Rental: Any arrangement whereby a non-co-owner is enabled to occupy all or part of a residential unit for a designated period of time, usually in exchange for compensation of some sort (money, goods, or services). Two forms of non-owner occupancy that are not defined as rentals are household members and household guests. The provisions of this Article do not apply to these forms of occupancy; however, such persons shall also comply with all obligations and restrictions set forth in the Condominium Documents.
 - b. Landlord: A co-owner renting all or part of their unit to a tenant.
 - c. Tenant: A non-co-owner renting all of part of a unit from a landlord.
 - d. Owner-absent rental: A rental of all or part of a unit in which the landlord is not residing throughout the rental period.
 - e. Short-term rental: A rental of all or part of a unit for a period of thirty (30) days or less.
 - f. Long-term rental: A rental of all or part of a unit for a period of more than thirty (30) days.
 - g. Owner-occupied unit: A unit that is the co-owner’s principal residence.
 - h. Resident: A co-owner, household member, or tenant of a Sunward unit.
 - i. Condominium Documents: The Master Deed, Bylaws, Book of Agreements, and policies set by duly empowered committees.
 - j. Occupancy Agreement: A document specifying required compliance with Sunward Condominium Documents and provision of administrative information to register a tenant as a Sunward resident.
 - k. Commercialization: to manage on a business basis for profit, or exploit for profit

3. **Restrictions:** Rentals must comply with the following restrictions. However, co-owners may request, in writing, that the Board of Directors or their designee make exceptions to these restrictions.
 - a. Short-term rentals are prohibited.
 - b. A unit may not be rented to more than two different tenants during any 12-month period.
 - c. Owner-absent rentals are permitted only after the owner has resided in the unit for one year or more.
 - d. The number of non-owner-occupied Sunward units that may be rented as owner-absent rentals at any one time shall not exceed ten percent (10%) of the total number of units in the condominium, that is, shall not exceed four (4) Units.
4. **Rights and obligations** of landlords and tenants:
 - a. Pre-rental Process: A co-owner wishing to rent shall submit, for approval, the following two documents to the Board or its designee.
 - i. A Notification of Intent to Rent shall be submitted at least ten (10) days before the landlord agrees to rent or otherwise grant possession of living space to a potential tenant. The notification shall state that the rental is in compliance with all restrictions in section 3 or request an exception to those restrictions.

The rental may proceed only when and if the Board or its designee has certified that the rental is in compliance with all section 3 restrictions or that any necessary exceptions have been granted.
 - ii. The landlord shall submit the Occupancy Agreement, completed and signed by both the landlord and the tenant, to the Board or its designee. Occupancy may begin only if and when the Board or its designee certifies that a valid Occupancy Agreement has been received.
 - b. Tenants shall be registered as residents of the community, with all the rights, obligations and privileges of residents, except those rights, obligations and privileges reserved specifically for co-owners.
5. **Sanctions** for non-compliance:

In the event of a default by the tenant or landlord in the performance required by the Occupancy Agreement or the Condominium Documents, after fifteen (15) days' prior written notice to the landlord and the completion of any enforcement processes that are required by the Condominium Documents, the Board or its designee has the power to institute an action to evict the tenant, and to recoup damages.

6. **Assessments:** When a co-owner is in arrears to Sunward for fees or assessments, the Board, on behalf of the association of co-owners, may notify that co-owner's tenant, in writing, of that arrearage. After receiving such a notice, the tenant shall deduct, from rental payments due to the co-owner, the full arrearage and future assessments as they fall due and shall pay them to Sunward. Such deductions shall not be a breach of the rental agreement between the landlord and the tenant.

2. IT IS HEREBY PROPOSED that Article VII, Sections 1 and 3a only, of the Condominium Bylaws of Sunward Cohousing of Ann Arbor Condominium be amended and restated to provide as follows:

ARTICLE VII USE AND OCCUPANCY RESTRICTIONS

1. **Residential use.** Condominium Units shall be used exclusively for residential occupancy. A rental residence shall also comply with the provisions of Article IX. Any other uses require written approval from the Board or its designee, obtained in advance of such use. If Scio Township approval is required, the burden falls to the co-owner to obtain such approval.
- 3a No condominium unit shall be used for other than residential purposes as defined by ScioTownship.

This amendment shall become effective following approval by sixty-six and two-thirds percent (66-2/3%) of the co-owners, and sixty-six and two-thirds percent (66-2/3%) of the first mortgagees, and the recording of same in the Washtenaw County Register of Deeds Office.