

CONDOMINIUM ACT (EXCERPT)
Act 59 of 1978

559.205 Reserve fund.

Sec. 105. A reserve fund for major repairs and replacement of common elements shall be maintained by the associations of co-owners. The administrator may by rule establish minimum standards for reserve funds.

History: 1978, Act 59, Eff. July 1, 1978.

R 559.509 Structural repair or modification of unit; access to unit by designated person.

Rule 509. (1) The bylaws shall provide that a co-owner who desires to make a structural repair or modification of his or her unit shall first obtain written consent of the association of co-owners. The association shall not consent if such repair or modification may jeopardize or impair the structural soundness or safety, or both, of the project.

(2) The bylaws shall provide that any person designated by the association of co-owners shall have access to each unit as necessary during reasonable hours, upon notice to the occupant thereof, for maintenance, repair, or replacement of any of the common elements therein or accessible therefrom, and shall have access to each unit without notice for making emergency repairs necessary to prevent damage to other units or the common elements, or both.

History: 1979 AC.

R 559.510 Compliance with act, master deed and bylaws, the articles of association, and rules and regulations adopted by association.

Rule 510. The bylaws shall provide, in accordance with section 65 of the act, that all present and future co-owners, tenants, and any other persons or occupants using the facilities of the project in any manner are subject to, and shall comply with, the act, the master deed and bylaws, and the articles of association, and rules and regulations adopted by the association of co-owners.

History: 1979 AC.

R 559.511 Reserve fund for major repairs and replacement of common elements.

Rule 511. (1) The bylaws shall provide that the association of co-owners shall maintain a reserve fund for major repairs and replacement of common elements in accordance with section 105 of the act. The co-owners' association shall maintain a reserve fund which, at a minimum, shall be equal to 10% of the association's current annual budget on a noncumulative basis.

(2) The funds contained in the reserve fund required to be established by section 105 of the act shall only be used for major repairs and replacement of common elements.

(3) There shall be set aside the amount of funds required by subrule (1) of this rule by the time of the transitional control date. The developer shall be liable for any deficiency in this amount at the transitional control date.

(4) The following statement shall be contained in the bylaws: "The minimum standard required by this section may prove to be inadequate for a particular project. The association of co-owners should carefully analyze their condominium project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes."

History: 1979 AC; 1985 AACS.

R 559.512 Resolution of disputes, claims, or grievances.

Rule 512. The bylaws shall provide for procedures, in accordance with sections 106 and 107 of the act, to resolve any dispute, claim, or grievance arising out of, or relating to, the interpretation or the application of the master deed, the bylaws, or the management agreement, if any. The bylaws may provide for arbitration or other methods of resolving disputes, claims, or grievances arising among or between co-owners or between co-owners and the association of co-owners or between the association and a management company. If arbitration is requested by the parties to such a dispute, claim, or grievance, the dispute, claim, or grievance may be submitted to arbitration and the parties shall accept the arbitrator's decision as final and binding. The bylaws may provide for the application of the commercial arbitration rules, as amended, of the American arbitration association.

History: 1979 AC.