STATE OF MICHIGAN COURT OF APPEALS

JAMES SPRINGFIELD and AMBROSIA SPRINGFIELD,

Plaintiffs-Appellants,

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v

DEER RUN ESTATES CONDOMINIUM ASSOCIATION,

Defendant-Appellee.

No. 368044 Barry Circuit Court LC No. 2023-000433-CK

Before: GARRETT, P.J., and RICK and MARIANI, JJ.

PER CURIAM.

Plaintiffs appeal as of right an order granting summary disposition in favor of defendant under MCL 2.116(C)(8) (failure to state a claim). We affirm in part, reverse in part, and remand.

I. FACTUAL BACKGROUND

Deer Run Estates is a residential condominium complex in Barry County. Defendant is the complex's homeowner's association. Plaintiffs purchased a home in the Deer Run Estates in May 2022. In February 2023, plaintiffs' neighbor was walking her dog when plaintiffs' Rottweilers escaped from their yard and attacked the neighbor's dog. Plaintiff Ambrosia Springfield and the neighbor managed to restrain the Rottweilers and return them to plaintiffs' house. The neighbor took her dog to a veterinarian, who found a scratch on its nose. The neighbor additionally suffered a rash on her knees from the incident. She contacted the Barry County Sheriff's Office, and an officer was dispatched to the home. Ambrosia explained to the officer that her daughter had forgotten to place the underground-fence collars on the Rottweilers. The following day, the officer contacted plaintiff James Springfield, who stated that plaintiffs had paid the veterinarian's bill. The officer informed James that the Rottweilers were to be quarantined for 10 days at plaintiffs' home. The incident was also reported to defendant, who subsequently contacted plaintiffs regarding their plans for the Rottweilers. Plaintiffs responded that they could adequately supervise the dogs and planned to bring them outside only on leashes.

Defendant's Board of Directors (the Board) e-mailed plaintiffs regarding the incident. The e-mail recounted a previous incident in which plaintiffs' dogs left their yard and "nipped" at two residents walking past with their own dogs and children, and stated that several other residents had expressed concerns regarding the dogs' behavior. The Board stated that it had considered the injuries to the neighbor and her dog, the possibility of injury to a child, the age and breed of plaintiffs' dogs, and the "progressive nature of their behavior[.]" The Board also stated that it considered written and oral feedback from other residents, and noted that the owner of the dog who had just been attacked stated that plaintiffs assured her that the dogs would be rehomed. Based on input from various parties and a review of the Condominium Bylaws (the Bylaws), the Board informed plaintiffs that "for the safety of Deer Run Estate's residents, their pets and children, the Board is mandating your 2 Rottweilers be removed and rehomed from Deer Run Estates to another location or be euthanized within 20 days of this notice." In addition, the Board stated that it required proof that plaintiffs had complied with the order. Rather than comply with the Board's demands, plaintiffs sold their condo and moved away.

Plaintiffs filed a complaint against defendant in June 2023. After describing the February 2023 incident with the neighbor's dog and the Board's subsequent e-mail, plaintiffs alleged that defendant had no basis for demanding that they rehome or euthanize their dogs. Plaintiffs denied stating that they would rehome the dogs. Plaintiffs asserted that when they requested an explanation for the Board's decision, defendant referred to Section 7.05 of the Bylaws, which governed the keeping of animals on the property. However, plaintiffs alleged that Sections 12.01 and 12.02 of the Bylaws required notice to the co-owner, an opportunity to defend against the alleged violation, and a hearing and decision by the Board. Plaintiffs contended that the refusal to allow them to present a defense or explain the precautions they had taken to prevent a recurrence constituted a breach of the Bylaws. Plaintiffs further alleged that as a result of their sudden need to purchase of a new home, they incurred \$177,000 in interest and principal payments, storage fees of \$675, appraisal and inspection fees in the amount of \$2,015, and \$15,000 in lost income. In addition, plaintiffs alleged that they had sought mental-health care as a result of the anguish defendant caused, and asserted that they had to choose between having their daughter's life disrupted by changing schools or driving 22 miles per day to take her to and from her familiar school.

In Count I, plaintiffs asserted a breach-of-contract claim, alleging that the Bylaws "serve as a contract with mutual benefits and obligations between the Association and members of the Association itself." In Count II, plaintiffs alleged that defendant had engaged in selective enforcement of the Bylaws. Plaintiffs asserted that they had seen others walk their dogs off-leash, and other dogs leave their yards, and alleged that defendant enforced the Bylaws only against breeds that were perceived as aggressive. Plaintiffs requested an award of damages for defendant's breach of contract and selective enforcement of the Bylaws.

In lieu of answering the complaint, defendant filed a motion for summary disposition under MCR 2.2116(C)(8). Defendant argued that the Bylaws and the Master Deed of which they were a part did not constitute a contract, but were merely declarations under the Condominium Act, MCL 559.101 *et seq.*, "that run with the land and bind the properties laid out in the Site Plan." Alternatively, defendant contended that under Section 7.05(f) of the Bylaws, "defendant was acting well within its power and authority when it demanded that plaintiffs either rehome their dogs or euthanize them." Defendant also contended that plaintiffs lacked standing to maintain an

action against them because they were no longer co-owners as defined under the Bylaws or the Condominium Act. According to defendant, "MCL 559.207 clearly and unambiguously gives the right to maintain an action against an association of co-owners only to a co-owner." Addressing plaintiffs' selective enforcement claim, defendant argued that Michigan does not recognize such a claim by a co-owner against a condominium association, defendant had not initiated a prosecution against plaintiffs, and plaintiffs were not members of a protected group. Finally, defendant requested an award of sanctions under MCR 1.109(E), contending that plaintiffs' claims for breach of contract and selective enforcement were "devoid of legal merit."

Plaintiffs responded that the Bylaws constituted a contract between defendant and its members. Plaintiffs argued that defendant breached the Bylaws by enforcing a penalty against them without giving them an opportunity to appear before the Board and offer evidence in defense of the alleged violations, asserting that Section 7.05 of the Bylaws must be read in conjunction with Section 12.02. They argued that defendant was required to follow the latter's procedures before imposing penalties on plaintiffs, but failed to do so. Plaintiffs disagreed that they lacked standing, asserting that they were parties to a contract with defendant when they became residents of Deer Run Estates and had a valid cause of action stemming from defendant's breach of that contract. Additionally, plaintiffs contended that they had standing because they were injured by defendant's breach of the Bylaws.

Plaintiffs also disagreed that they failed to state a claim for selective enforcement. As examples of selective enforcement, plaintiffs asserted that on numerous occasions, they witnessed other residents walking dogs off-leash, dogs leaving yards and entering the road, co-owners leaving trash carts by the road for more than 24 hours, recreational vehicles parked in driveways, and unauthorized fires, all of which were violations of Bylaws. Citing the Nonprofit Corporation Act, MCL 450.2101 *et seq.*, they contended that the selective enforcement of the Bylaws was "willfully unfair and oppressive . . . to the point that Plaintiffs felt forced to quickly sell their home in the association." Finally, responding to defendant's request for sanctions, plaintiffs asserted that Michigan courts consistently apply principles of contract law to the interpretation of condominium bylaws, and that plaintiffs "honestly and reasonably" believed they were victims of selective enforcement of the Bylaws.

A hearing was held on the matter, and the parties largely argued consistently with their briefs. The trial court observed that plaintiffs were no longer co-owners and had failed to file their lawsuit against defendant or take any other action while they were still members of the association. The court insinuated that as a result, plaintiffs no longer had standing to bring a claim against defendant for breach of contract, but did not say so directly. The court then opined that Michigan caselaw did not hold that condominium bylaws constitute a contract, but were merely "interpreted according to the rules of a contract." The court further explained that Section 7.05(f) of the Bylaws did not include language requiring notice and a hearing before the removal of an animal. Citing Aldrich v Sugar Springs Prop Owners Ass'n, Inc, 345 Mich App 181; 4 NW3d 751 (2023), the court reasoned that contractual agreements between an association and its members did not extend to former members. Addressing selective enforcement, the court concluded that claim failed because "no enforcement action was taken" and plaintiffs had failed to show sufficient evidence that defendant selectively enforced the Bylaws against them while declining to enforce other violations. In sum, the trial court ruled that the Bylaws were not a contract, plaintiffs were no longer association members with standing to enforce the condominium documents, and plaintiffs

failed to state a claim of selective enforcement. The court therefore granted defendant's motion for summary disposition on both claims. This appeal followed.

II. ANALYSIS

A. STANDING

Plaintiffs first argue that the trial court erred by finding that they did not have standing to bring an action for breach of contract and selective enforcement against defendant. We agree.

"Whether a party has standing is a question of law that is reviewed de novo." *Mich Ass'n of Home Builders v City of Troy*, 504 Mich 204, 212; 934 NW2d 713 (2019). This Court also reviews de novo questions of law, including the interpretation of statutes and ordinances. *Sau-Tuk Indus, Inc v Allegan Co*, 316 Mich App 122, 136; 892 NW2d 33 (2016).

This Court has explained the rules of statutory construction as follows:

The paramount rule of statutory interpretation is that we are to effect the intent of the Legislature. To do so, we begin with the statute's language. If the statute's language is clear and unambiguous, we assume that the Legislature intended its plain meaning, and we enforce the statute as written. In construing a statute, this Court should give every word meaning, and should seek to avoid any construction that renders any part of a statute surplus or ineffectual. It is well established that to discern the Legislature's intent, statutory provisions are not to be read in isolation; rather, context matters, and thus statutory provisions are to be read as a whole. Provisions not included by the Legislature should not be included by the courts. [*In re Casey Estate*, 306 Mich App 252, 256-57; 856 NW2d 556 (2014) (quotation marks and citations omitted).]

Relevant to this appeal, condominium ownership is governed by the Condominium Act. *Janini v London Townhouses Condo Ass'n*, ___ Mich ___; __ NW3d ___ (2024) (Docket No. 164158); slip op at 5. The administration of a condominium project is governed by its bylaws, which are attached to a master deed, and, together with other condominium documents, "dictate the rights and obligations of a co-owner in the condominium." *Id.* (quotation marks and citation omitted). According to MCL 559.106(1) of the Act, a co-owner is defined as a person or other legal entity that owns a condominium unit.

As earlier noted, the trial court did not explicitly rule that plaintiffs lacked standing, but its stated reasoning strongly suggested as much. It based this determination on MCL 559.207. The court reasoned that "the statute clearly provides that actions to enforce terms and provisions of the condominium documents are in the purview of the co-owners." It ruled that in light of the plaintiffs having sold their unit, "they are no longer members with the ability to enforce the provisions of . . . the condominium documents." MCL 559.207 provides that "[a] co-owner may maintain an action against the association of co-owners and its officers and directors to compel these persons to enforce the terms and provisions of the condominium documents." Thus, plaintiffs, as former co-owners, could not maintain an action to compel defendant to enforce the Bylaws.

We find that the trial court made a mistake of law on this point. To start, whether plaintiffs could maintain an action to compel enforcement was not the relevant question. Plaintiffs' complaint did not seek enforcement of the Bylaws; rather, it only sought an award of damages from defendant for breach of contract and selective enforcement of those Bylaws. And while MCL 559.207 does not apply to this case, that does not preclude plaintiffs from establishing that they have standing to bring their claims for breach of contract and selective enforcement against defendant. In particular, under MCL 559.215, "[a] person or association of co-owners adversely affected by a violation of or failure to comply with this act, rules promulgated under this act, or any provision of an agreement or a master deed may bring an action for relief in a court of competent jurisdiction." (Emphasis added.) Here, plaintiffs sought damages for defendant's alleged violations of the Bylaws, which are required to be recorded as part of the Master Deed in accordance with MCL 559.153 of the Condominium Act. Plaintiffs are therefore persons who have alleged that they were adversely affected by a violation of, or a failure to comply with, the Master Deed. Under MCL 559.215, they had standing to bring an action for relief.

B. THE EXISTENCE OF A CONTRACT

Plaintiffs next argue that the trial court erred by concluding that the Bylaws were not an enforceable contract. We agree.

The existence of a contract presents a question of law that we review de novo. *Aguirre v Michigan*, 315 Mich App 706, 713; 891 NW2d 516 (2016). As noted above, we also review de novo questions regarding the interpretation of statutes and court rules. *Sau-Tuk Indus, Inc*, 316 Mich App at 136.

In ruling on this issue, the trial court opined that the Bylaws were not a contract, reasoning:

The—the case law refers to being interpreted according to the rules governing interpretation of a contract. It does not say, condominium bylaws are a contract. It says, they are interpreted according to the rules governing the interpretation of contracts. Could easily have said—case law could easily have said, hey, bylaws are a contract when a member buys into the condominium, they are contracting with the condominium association. It doesn't say that. It says they are interpreted according to the rules of a contract.

The trial court was mistaken on this point. Under the Bylaws, defendant is "organized as a non-profit corporation . . . under the laws of the State of Michigan." The bylaws of a corporation "constitute a binding contract between the corporation and its shareholders." *Allied Supermarkets, Inc v Grocer's Dairy Co*, 45 Mich App 310, 315; 206 NW2d 490 (1973). In *Conlin v Upton*, 313 Mich App 243, 255; 881 NW2d 511 (2015), this Court held that "[w]hen validly promulgated, an entity's bylaws or similar governing instrument will constitute a *binding contractual agreement*

¹ Section 107 does speak to an action seeking damages, but only against another co-owner. See MCL 559.207 (providing that a co-owner "may maintain an action against any other co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the condominium documents or this act").

between the entity and its members." (Emphasis added.) See also *Tuscany Grove Ass'n v Peraino*, 311 Mich App 389, 393; 875 NW2d 234 (2015) ("Condominium bylaws are interpreted according to the rules governing the interpretation of a contract."). Thus, the Bylaws at issue in this case constitute a binding contract, and the trial court erred by holding otherwise.

C. SUMMARY DISPOSITION

Plaintiffs additionally argue that the trial court erred by granting summary disposition to defendant and dismissing their claims for breach of contract and selective enforcement of the contract. We agree in part.

We review de novo a trial court's decision on a motion for summary disposition. Zaher v Miotke, 300 Mich App 132, 139; 832 NW2d 266 (2013). The trial court granted summary disposition to defendant under MCR 2.116(C)(8). A motion under MCR 2.116(C)(8) tests the legal sufficiency of a claim. A trial court reviewing such a motion must accept all factual allegations as true and decide the motion on the pleadings alone. El-Khalil v Oakwood Healthcare, Inc, 504 Mich 152, 160; 934 NW2d 665 (2019). Summary disposition may be granted only when a claim is so clearly unenforceable that no factual development could possibly justify recovery. Id.

Plaintiffs first claim that the trial court erred by finding defendant did not commit a breach of contract by ordering them to rehome or euthanize their dogs without allowing plaintiffs an opportunity for a hearing to challenge the decision. "Condominium bylaws are interpreted according to the rules governing the interpretation of a contract." *Tuscany Grove Ass'n*, 311 Mich App at 393. "In ascertaining the meaning of a contract, we give the words used in the contract their plain and ordinary meaning that would be apparent to a reader of the instrument." *Highfield Beach at Lake Michigan v Sanderson*, 331 Mich App 636, 654; 954 NW2d 231 (2020) (quotation marks and citation omitted). "[T]his Court avoids interpretations that would render any part of the document surplusage or nugatory, and instead this Court gives effect to every word, phrase, and clause." *Tuscany Grove Ass'n*, 311 Mich App at 393.

In their complaint, plaintiffs alleged that defendant breached the Bylaws by deciding to "enforce a penalty upon Plaintiffs without first holding a hearing," in violation of Section 12.02 of the Bylaws. The trial court focused, instead, on Section 7.05(f), which governs animals kept on the property. In part, it states that defendant "may, without liability to the owner of the animal, remove or cause any animal to be removed from the Project which it determines to be in violation of, or which repeatedly violated, the restrictions imposed by this subsection or any rule adopted by the Association." Two sentences later, Section 7.05(f) of the Bylaws states:

The Association may, after notice and hearing, specially assess the Co-owner of any Unit for any expenses incurred by the Association as a result of damage caused to the Common Elements or to another person, animal or property by the Co-owner's animal or by any other animal the Co-owner, or the Co-owner's tenants or guests, bring into the Project.

The trial court reasoned that the explicit requirement that a hearing be held before assessing coowners for damage caused by their animals meant that *no* hearing was required if defendant removed or caused the removal of offending animals without also assessing damages to the coowners. In the trial court's view, to rule otherwise would nullify Section 7.05(f) of the Bylaws. For that reason, the trial court wholesale refused to apply Sections 12.01 and 12.02.

The trial court's reasoning is flawed. Section 12.01 of the Bylaws provides that any violation by a co-owner of the condominium documents "shall be grounds for relief by the Association, acting through its duly constituted Board of Directors[.]" The co-owner is held responsible for "such violations whether they occur as a result of his or her personal actions or the actions of the Co-owner's family, pet, guest, tenant or any other person admitted through such Co-owner to the Condominium Project." Section 12.02 of the Bylaws then provides that "[u]pon any such violation being alleged by the Board, the following procedures will be followed[,]" including notification by first class mail or personal delivery and, most significantly, providing an opportunity to appear at a hearing before the Board. On that point, Section 12.02 specifically provides:

The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting or at a special meeting called for such matter, but in no event shall the Co-owner be required to appear less than ten (10) days from the date of service of the notice.

Thus, the clear and unambiguous language of the Bylaws requires that the co-owner have an opportunity to appear before the Board to defend the allegation in the event of any alleged violation of the condominium documents. The trial court's conclusion to the contrary rendered Section 12.02 nugatory, at least with regard to violations of the Bylaws regarding animals, and directly contravened the principles of contract interpretation.²

A breach-of-contract claim has three elements: (1) the existence of a contract, (2) a breach of that contract, and (3) damages suffered as a result of the breach. *In Re Raymond T Conley Trust*, ___ Mich ___; __ NW3d ___ (2024) (Docket No. 366180); slip op at 4. In their complaint, plaintiffs alleged that the Bylaws "serve as a contract" and that Section 12.02 required defendant to afford them with notice and an opportunity to defend at a hearing. Plaintiffs further alleged that they repeatedly requested a hearing and an opportunity to defend against the allegations, but defendant declined to hold a hearing. Plaintiffs contended that defendant breached the Bylaws by deciding to enforce a penalty without holding a hearing and that they incurred damages as a result. Given that this motion for summary disposition was brought under MCR 2.116(C)(8), we must accept all well-pleaded factual allegations as true and view them in the light most favorable to the nonmoving party. *El-Khalil*, 504 Mich at 160. We have already concluded that the Bylaws constituted a contractual agreement between the parties. When viewed in a light most favorable

that, regardless, notice and a hearing is required before the special assessment can be imposed.

² It also bears noting that his understanding of the Bylaws does not, as the trial court feared, render Section 7.05(f)'s "notice and hearing" language nugatory. As noted, that language pertains to defendant's ability to specially assess co-owners for damage caused by their pets or other animals in their charge—a circumstance which seemingly could arise without a violation of the Bylaws, and thus without necessarily triggering Section 12.02's procedures. Section 7.05(f) makes clear

to plaintiffs, the allegations in their complaint adequately state a claim for breach of said contract. The trial court erred by ruling in defendant's favor on this claim.

Plaintiffs finally argue that defendants selectively enforced the Bylaws against certain residents. In their complaint, plaintiffs asserted that they had witnessed co-owners walking their dogs off-leash and allowing dogs to leave their yards in violation of the Bylaws. According to plaintiffs, defendants did nothing about these incidents. Plaintiffs further alleged that defendant did not "reprimand" dogs of breeds that did not often face "breed discrimination," such as "Bernese Mountain Dogs and Poodles," but selectively enforced the Bylaws against dogs perceived as more "aggressive," such as their Rottweilers. In addition, plaintiffs asserted that they had witnessed other violations, such as trash carts left by the road for more than 24 hours, recreational vehicles parked in driveways, and "unauthorized fires" in violation of the Bylaws.

Plaintiffs' claim on this point fails because they have cited no caselaw or statute prohibiting "breed discrimination" by a homeowners' association or otherwise prohibiting selective enforcement of condominium bylaws. To the extent that plaintiffs simply claim "selective enforcement," we deem this issue abandoned. See *DeGeorge v Warheit*, 276 Mich App 587, 594-595; 741 NW2d 384 (2007) (stating that an appellant may not "simply announce a position or assert an error . . . and then leave it up to this Court to discover and rationalize the basis for the claims, or unravel and elaborate the appellant's arguments, and then search for authority either to sustain or reject the appellant's position").

Plaintiffs alternatively contend that by failing to equally enforce the Bylaws, defendant violated the Nonprofit Corporation Act. Specifically, they note that under MCL 450.2489(1), a shareholder may bring an action in circuit court "to establish that the acts of the directors, shareholders, members, or others in control of the corporation are illegal, fraudulent, or willfully unfair and oppressive to the corporation or to the director, member, or shareholder." In *Franks v Franks*, 330 Mich App 69; 944 NW2d 388 (2019), this Court, interpreting substantially identical language from the Business Corporation Act, explained that plaintiffs bringing shareholder-oppression claims must plead and prove that they were shareholders of a corporation, the defendants were directors of the corporation, and the defendants engaged in acts that were "'illegal, fraudulent, or willfully unfair and oppressive to the corporation or to them as shareholders.' " *Id.* at 99, quoting MCL 450.1489(1). Here, plaintiffs allege that defendant is a "non-profit organization," but make no further reference to defendant's corporate status or explain how defendant's specific conduct violated the Nonprofit Corporation Act. Thus, plaintiffs have not adequately stated a statutory claim of shareholder oppression.

That said, we would be remiss in failing to note an error in the trial court's reasoning as to this matter. The trial court granted summary disposition as to plaintiffs' selective-enforcement claim on the ground that defendant took no enforcement action against them and did not assess any costs or fines. However, under the Bylaws, defendant had the authority to remove the animals or cause them to be removed. Defendant clearly exercised this authority under the Bylaws against plaintiffs by ordering them to rehome or euthanize their dogs, contrary to the trial court's conclusion. Nevertheless, because plaintiffs failed to plead any viable legal basis for their selective-enforcement claim, the trial court reached the right result, albeit for the wrong reason. We will not reverse under those circumstances. See *Computer Network, Inc v AM Gen Corp*, 265

Mich App 309, 313; 696 NW2d 49 (2005) ("[T]his Court will not reverse a trial court's decision if the correct result is reached for the wrong reason.").

III. CONCLUSION

The trial court erred by ruling that plaintiffs did not have standing to bring a claim for breach of contract or selective enforcement of a contract. It further erred by concluding that the Bylaws at issue here did not constitute a contract between the parties. As a result, it erroneously granted summary disposition to defendant as to plaintiffs' breach-of-contract claim. However, summary disposition was properly granted as to plaintiffs' selective-enforcement claim.

Affirmed in part, reversed in part, and remanded for further proceedings consistent with this opinion. We do not retain jurisdiction.

/s/ Kristina Robinson Garrett

/s/ Michelle M. Rick

/s/ Philip P. Mariani