

BARCLAY PARK ASSOCIATION

Summary of 2023 Proposed Changes to Governing Documents

RATIONALE

Barclay Park's governing documents were last revised by the original property developer in 2007. Since then, the laws governing condominium associations have changed, and the world we live in has changed as well. We've also learned from experience some ways that our current governing documents could be better tailored to our community.

To effect these improvements, the Board is presenting and recommending approval of the enclosed Proposal "A", which will amend BPA's governing documents.

Additionally, at the request of a group of Co-owners, we are also presenting (but make no recommendation on) Proposal "B", which would change how BPA's monthly dues are calculated.

In order to be approved, amendments must receive the support of 2/3 of all of the Co-owners, both in number of units and in unit value. This is a high threshold, so we ask that every Co-owner return their ballot promptly.

PROPOSAL "A"

Proposal "A" contains a set of amendments to our three governing documents:

1. The Articles of Incorporation, which establish the Barclay Park Association (BPA) as a Michigan nonprofit corporation, with the Co-owners as its members.
2. The Master Deed, which defines the property of the BPA, how it is divided into Units and Common Elements, and who is responsible for each element of it.
3. The Bylaws, which define the operating rules for the BPA.

Summary details of the changes to each of the documents follow, and all of these documents, including the original versions, amended versions, and red-line differences highlighting the changes between them, are available on the barclaypark.org website.

The Board of Directors recommends a vote **IN FAVOR OF** Proposal "A".

PROPOSAL “A” CHANGES TO THE ARTICLES OF INCORPORATION

- We removed the litigation approval requirements that the Developer put in these Articles to protect themselves from being sued.
- We added provisions providing the level of indemnification and protection allowed to volunteer directors and officers pursuant to the Michigan Nonprofit Corporation Act. Under the Act, these provisions must be contained in the Articles to be effective.
- We adjusted the language for proposing actions without a meeting by written vote or ballot to be consistent with statute.

PROPOSAL “A” CHANGES TO THE MASTER DEED

- Currently, the Co-owner is responsible for the exterior light fixtures associated with their unit. These changes provide that the Association will take over this responsibility for fixtures on the front side of the buildings. Fixtures on the back sides of the buildings will remain Co-owner responsibility.
- We are clarifying that the telephone lines within unit walls are part of the General Common Elements, in the same way that the electrical, plumbing, and gas lines are.
- We are allowing the Board to make future Amendments to the Master Deed without a vote in two narrow circumstances:
 1. When we find that our documents disqualify Barclay units from mortgage financing under major government lenders such as Fannie Mae, Freddy Mac, VHA, or FHA, the Board can change the documents to the extent required to comply with their rules.
 2. When our documents contain “dead” language that doesn’t have any effect anymore, we can remove it. Currently, our documents contain a lot of dead language that was specifically added for the benefit of the original property developer. Our intent is to eventually remove that dead language, but in order to make it easier for everyone to review the meaningful changes in our current revisions, we intend to handle that in a later Amendment using this procedure.

PROPOSAL “A” CHANGES TO THE BYLAWS

- Some specific dollar numbers have been changed so that they will adjust for inflation.
- We added language to allow the Association to mediate disputes between Co-owners, if those Co-owners present it for mediation.
- We changed some language to allow the Board to delegate some tasks, such as approving lease agreements, to the Management company.
- We added language to allow the Association to better control changes that could cause noise problems between units.
- Co-owners will no longer be required to clear their porches of patio furniture in the Winter.
- Co-owners will now be permitted (with Association approval) to add gated fencing around their patio/deck. The main intent here is to contain pets – for emergency access purposes, such gates may not be locked.
- We clarified the requirement that Co-owners keep their smoke detectors operational, and their units properly winterized, to avoid causing bursting pipes and other winter hazards.
- We’ve removed a chunk of language that was mainly intended to keep the Association from suing the Developer over defects (The Developer’s company was folded up long ago, so no such suit is possible in any case).
- The quorum requirement for the annual meeting has been reduced from 35% to 25%, to make it easier on our staff to collect the ballots for the meeting.
- We’ve made changes to explicitly allow various forms of electronic communications for meetings and notices. As a part of this, Co-owners will be required to provide the Association with an e-mail contact address (95% already do).
- Normally, our Annual Meeting is supposed to be in May; COVID-19 disrupted this schedule for a couple of years, but we’re hoping to keep things on track going forward. We are adding a bit more flexibility, allowing it to be scheduled anytime from April-June.
- We added a process for suspending and removing Directors who fail to pay their dues.

PROPOSAL “B” CHANGES TO FEE APPORTIONMENT

- Some Co-owners have proposed that Barclay Park adjust the formula used to apportion the Association dues, by assessing 20% of the dues on a fixed, per-unit basis, while the other 80% would remain apportioned on the percentage-of-value basis used in our current Bylaws. The conceptual intent is that the fixed 20% would represent the portion of the Association’s expenses that is constant irrespective of unit size. This change would decrease fees on the larger units, and increase them on the smaller units, as indicated in the following table:

	2023 Formula	Proposal “B”	Change
Concord	\$211	\$227	+\$16
Greenwich	\$245	\$254	+\$9
Bridgeport	\$270	\$274	+\$4
Providence	\$338	\$328	-\$10
Hartford	\$397	\$375	-\$22

(These example values are based on the 2023 dues, but any change would not take effect until 2024).

- This fee change is presented as Proposal “B”, and will be voted upon as a separate ballot question from the other changes being proposed.

The Board of Directors **takes no position** on approving Proposal “B”.

Feedback or questions regarding these proposed changes may be directed to:

bylaws@barclaypark.org