



Summary of Proposed By-Law Changes

Revised
February 21, 2018

REVISIONS FROM THE TOWN HALL MEETING PAMPHLET
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Summary of Proposed Smokler Truesdell By-Law Changes

No.	Present By-Law / Dialog / Proposed Revision
1.	<p>ARTICLE I. Name and Location. <i>The name of the corporation is SMOKLER TRUESDELL ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 19400 West Ten Mile Road, Southfield, Michigan but meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.</i></p> <p>Dialog: Essentially a record change. Replaces the builder address with our P.O. Box.</p> <p>Proposed Revision: The name of the corporation is SMOKLER TRUESDELL ASSOCIATION, hereinafter referred to as the "Association". Contact the Association at P.O. Box 87066, Canton MI, 48187. Meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.</p>
2.	<p>ARTICLE II, section 1. Definitions. <i>"Developer" shall mean and refer to BERT L. SMOKLER & COMPANY a Michigan corporation, its respective successors assigns heirs and personal representatives, but from and after the recordation of the Plat for Smokler Truesdell Subdivision and the Declaration of Covenants and Restrictions, Huntley Homes, INC, shall be deemed the Developer, with all the attendant duties and rights.</i></p> <p>Dialog: Revised to state that the developer rights and duties ended with completion of the subdivision.</p> <p>Proposed Revision: "Developer" shall mean and refer to BERT L. SMOKLER & COMPANY a Michigan corporation, its respective successors assigns heirs and personal representatives, but from and after the recordation of the Plat for Smokler Truesdell Subdivision and the Declaration of Covenants and Restrictions, Huntley Homes, INC, shall be deemed the Developer. Since completion of the subdivision neither developer retains any duties or rights.</p>

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3.	<p>ARTICLE III, section 1. Meeting of Members. Annual Meeting. <i>The first annual meeting of the members shall be held on January 2, 1975, unless the Board of Directors decides otherwise, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter at the hour at 8:00 P.M.</i></p> <p>Dialog: This change removes references to the original meeting schedule. It also clarifies language relating to the Board of Directors' authority to change meeting date and time. It specifies the meeting time and date consistent with our current schedule. It changes the annual meeting to the second Tuesday.</p> <p>Proposed Revision: ARTICLE III, section 1. Meeting of Members. Unless the Board of Directors decides otherwise each regular annual meeting of the members shall be held on the second Tuesday of November at 7:00 P.M.</p>
19.	<p>ARTICLE III, section 2. Meeting of Members. Special Meetings. <i>Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) or all of the votes of the Class A membership.</i></p> <p>Dialog: This section was revised to eliminate the reference to classes.</p> <p>Proposed Revision: Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth (1/4) of the voting membership.</p>
4.	<p>ARTICLE III, section 3. Meeting of Members. Notice of Meetings. <i>Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose or notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.</i></p>

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	<p>Dialog: Current By-Laws allow only for mailing of annual meeting notices. This change will reduce the cost of meeting notifications. This change will allow notices to be delivered by hand. It also allows meeting notices to be delivered via email and via electronic news letters in pdf format but only when the member has agreed to electronic communications. It provides for mailing notices where required when members 1) do not live in the subdivision (i.e. rental properties) and 2) have not signed up for electronic communications.</p> <p>Proposed Revision: Notice of each meeting of the members shall be given to each member entitled to vote by, or at the direction of the secretary or person authorized to call the meeting fifteen (15) business days before the meeting. Notices shall be mailed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose or notice. Notices may also be hand delivered to the lot address or provided via electronic means when the member has agreed to electronic communications. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.</p>
5.	<p>ARTICLE III, section 4. Meeting of Members. Quorum. <i>The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.</i></p> <p>Dialog: This By-Law was rewritten for clarity. The last sentence was added to clarify voting</p> <p>Proposed Revision: A meeting quorum shall exist when one-tenth (1/10) of the members entitled to vote, or of proxies entitled to vote, are present. The quorum may then vote any action except if specified otherwise in the Articles of Incorporation or the Declaration. If a quorum is not present at a meeting the members are entitled to adjourn the meeting by simply announcing an adjournment at the meeting. The meeting shall be adjourned until a quorum can be present. All votes cast at meetings where a quorum is present shall be decided by a majority of the votes cast.</p>

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6.	<p>ARTICLE III, section 5. Meeting of Members. Proxies. <i>At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable, and shall automatically cease upon conveyance by the member of his Lot.</i></p> <p>Dialog: This section clarifies proxy voting. It requires that all items planned to be voted on be listed on the proxy. It provides for on-line proxy voting. It clarifies that the board will appoint an individual to tabulate and vote the proxies.</p> <p>Proposed Revision: At all meetings of members, each member may vote in person or by proxy. Proxies shall include all items planned to be voted on. All proxies shall be filed with the secretary. Proxies may be submitted in writing or electronically. The secretary shall determine the eligibility to vote. Every proxy shall be revocable, and shall automatically cease upon conveyance by the member of his/her Lot. Proxies shall be tabulated and voted by an individual selected by the board.</p>
7.	<p>ARTICLE IV, section 1. Board of Directors. Number. <i>The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association, however, so long as the Class A members exceed one-third of the Class B members, the affairs of the Association shall be conducted by a Board of Directors consisting of three (3) directors .</i></p> <p>Dialog: The current language refers Class A and B members. All members today are class A. Eliminating the reference to classes simplifies and adds clarity. As did the original By-Laws, the change does not require board members to be association members however, requires at least 5 members be association members. This will allow the board to seek specialized skills such as accounting, legal, etc. while maintaining association control.</p> <p>Proposed Revision: The affairs of this Association shall be managed by a Board of nine (9) directors five (5) of whom need to be members of the Association.</p>

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8.	<p>ARTICLE IV, section 2. Board of Directors. Term of Office. <i>At the first annual meeting the members shall elect three directors for a term of one year three directors for a term of two years, and three directors for a term of three years; and at each annual meeting thereafter, the members shall elect three directors for a term of three years.</i></p> <p>Dialog: This Article and section retains the current terms for board members. It allows for reestablishing the term cycles by the board if necessary.</p> <p>Proposed Revision: Board members shall be elected for a three (3) year term. Each year the members shall elect three directors. The board may from time to time, at their discretion, designate three directors for a term of one year, three directors for a term of two years, and three directors for a term of three years to reestablish the election cycle.</p>
9.	<p>ARTICLE IV, section4. Board of Directors. Compensation. <i>No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.</i></p> <p>Dialog: Changes here clarify that while board members may not be paid for their duties as board members they may bid to provide contract services. This section continues to allow board members be reimbursed for actual expenses.</p> <p>Proposed Revision: No director shall receive compensation for any service he/she may render to the Association while serving in his/her capacity as a director. However, a director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties. A director may be selected to provide contract services not part of his/her board responsibilities. Any board member considered for contract services must recuse himself/herself from voting and be absent during voting.</p>
10.	<p>ARTICLE IV, section 5. Board of Directors. Action Taken Without a Meeting. <i>The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.</i></p>

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	<p>Dialog: Changes here eliminates the requirement of unanimous approval for actions taken between board meetings. It intended to make the board more productive between meetings. Five (5) approval votes is the maximum required at a board meeting assuming all board members are in attendance.</p> <p>Proposed Revision: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the approval of a majority of directors (5). Any action so approved shall have the same effect as though taken at a meeting of the directors and read into the meeting minutes of the next regular board meeting.</p>
11.	<p>ARTICLE V, section 1. Nomination and Election of Directors.</p> <p>Nominations. <i>Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close or such annual meeting until the close or the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.</i></p> <p>Dialog: Board members are too busy to serve on election committees. It is difficult to allocate time during the annual meeting for elections.</p> <p>Ideally candidates for replacing expiring terms would be identified in the September/October time-frame. This includes names of board members who wish to run for reelection. Hopefully candidates then can be listed on the proxy.</p> <p>Proposed Revision: Nominations for election to the Board of Directors shall be made by a Nominating Chair. Nominations may also be made from the floor at the Annual meeting. The Nominating Chair shall be a member of the Board of Directors. The Nominating Chair shall be appointed by the Board of Directors in the first board meeting following the annual membership meeting to serve until the close of the next annual meeting.</p>

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	<p>The Nominating Chair shall make as many nominations for election to the Board of Directors as he/she shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members within the constraints of Article IV, section 1.</p>
12.	<p>ARTICLE VI, section 3. Meetings of Directors. Quorum. <i>A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.</i></p> <p>Dialog: We have nine (9) board members. Five (5) are required to conduct business.</p> <p>This issue was raised that only three (3) yes votes are required if only five (5) members are in attendance. If this should happen on an important issue the board has the option to table the vote. For this reason voting requirement are unchanged.</p> <p>Additionally, the question was raised why a board member would abstain and whether they should be allowed to abstain. The discussion included whether a board member should recuse themselves when the appearance of impropriety exists but not allowed to abstain. Proposed revisions prevent a board member from abstaining but allow a member to recuse themselves for a conflict of interest.</p> <p>Proposed Revision: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Board members shall not abstain from voting except members may recuse themselves for conflict of interest.</p>
20.	<p>ARTICLE VII, section 2, a. Powers and Duties of Board of Directors.</p> <p>Duties. <i>cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;</i></p>

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	<p>Dialog: This section was revised to eliminate the reference to classes.</p> <p>Proposed Revision: cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members entitled to vote;</p>
13.	<p>ARTICLE VII, section 2, f. Powers and Duties of Board of Directors. Duties. <i>cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;</i></p> <p>Dialog: Given the limited association assets and difficulties associated with recovering any loss via a bond we should require bonds only from individuals providing contract assistance to the treasurer.</p> <p>Proposed Revision: require that individuals assisting the treasurer in his/her duties per Article VIII, section 8, d, provide proof of bond;</p>
14.	<p>ARTICLE VII, section 2, g. Powers and Duties of Board of Directors. Duties. <i>cause the Common Area(s) to be maintained;</i></p> <p>Dialog: This change clarifies that funds may be spent on items the board feels are for the associations' common good (e.g. snow plowing, Easter Egg Hunt, etc.). The By-Laws along with the Declaration of Covenants and Restrictions (Article V, section 2) imply that dues should be spent on the common areas. Further common areas are defined as the three parks. This change requires changing Article XIII, section 2.</p> <p>Proposed Revision: cause association funds to be spent for the benefit of the association including but not limited to the common areas;</p>
15.	<p>ARTICLE VIII, section 8, d. Officers and Their Duties. Treasurer. <i>The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.</i></p>

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	<p>Dialog: Current By-Laws require an annual audit. Audits are not required by law for non-profit organizations with limited assets. Additionally, audits are very expensive. An annual review of our finances seems a good management practice.</p> <p>Many treasurer duties are currently performed by our Property Manager. Revisions here allow the treasurer's duties be delegated provided the treasurer oversees them.</p> <p>Proposed Revision: The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association; shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account and cause an annual review of association finances at the completion of each fiscal year except that the treasurer, individuals involved in keeping financial records or any person having banking authority shall be excluded from conducting the review; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; shall provide the membership a copy of the budget in writing or electronic format. The treasurer may personally perform these duties or delegate and oversee their completion.</p>
16.	<p>ARTICLE XI. Assessments. <i>As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) percent per annum and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorney fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area(s) or abandonment of his Lot.</i></p>

