

**This is part 5 of
Comments and Questions for the Strand Master Board
Review of New Proposed Strand Master Governing Documents
Issued on 11-19-2021**

**Various Miscellaneous Sections of the Proposed New Articles of Incorporation,
Declarations and By-Laws
by RJ Polizzotto 12-22-2021**

This Part 5 of Comments and Questions addresses some miscellaneous Sections and Areas in the New Proposed Documents that weren't previously mentioned. Each area will have the Area for the New Proposed Documents indicated before the comments and questions.

1. Proposed New Articles of Incorporation

A. Article III – Purpose and Powers.

1. Item B

Item B of Article VIII of the Articles of Incorporation, "**Purpose and Powers (i.e. of the Master Board)**" **was changed** from the previously Proposed Articles of Incorporation issued in March 2021. The changes shown below were not mentioned in the cover letter with the New Documents that were issued to the NR and Presidents on 11-19-2021 by the Master Board. (deletions are shown blue strikethrough, additions in red – Highlight added for clarity)

(B) ...to **adopt and make,** amend **administrative and enforce reasonable** Rules and Regulations governing the use, **maintenance, management and control** of the Common Areas, **Neighborhoods, the Parcels** and the operation of the Master Association, and to **among other remedies, set and impose fines as may be necessary to enforce compliance with Rules and Regulations** that are adopted by The Master Association Board of Directors and with the Covenants, Conditions, Restrictions and Easements **Association;**

a. Question: Why was this section changed from the March 2021 issue of the Revised Documents, e.g. inclusion of Neighborhoods, the Parcels, fines, enforcement, etc.?

B. Article VIII – DIRECTORS AND OFFICERS:

1. Item A.

Item A of Article VIII of the Articles of Incorporation **was changed** from the previously Proposed Articles of Incorporation issued in March 2021. The changes shown below **were not mentioned** in the cover letter with the New Documents that were issued to the NR and Presidents on 11-19-2021 by the Master Board. (deletions are shown **blue** strikethrough, additions in **red** – Highlight added for clarity).

(A) The affairs of the Master Association will be administered by a Board consisting of the **seven (7)** number of Directors **as set forth** ~~determined by the Bylaws, but not less than three (3) Directors, and~~ in the **Bylaws**. ~~absence of such determination shall consist of seven (7) Directors.~~

a. Question. Why wasn't this change mentioned to the NR and Presidents in the 11-19-2021 release of the New Proposed Documents since it mandates that the Master shall henceforth consist of 7 members, even if less are nominated and/or elected by the NR?

b. Question. What was the rationale behind this change since the original wording might reduce the risk of the Directors being required to pack the Board with members of their choosing if for example only 5 members are candidates and elected by the NR's at the Annual Meeting?

(Even though it is understood that this was changed to conform to the wording in the New Proposed By-Laws, the question still remains, why was it changed.)

2. New Proposed Declarations

A. **Original** ARTICLE XIV - SHARED AREAS AND FACILITIES

1. Item 14.05 - Security (from Original Documents):

The entire Article XIV section **14.05 - Security**, in the original Declarations, was completely **Deleted**. This original Section reads in part (highlighted for emphasis):

“14.05 Security. Neither Declarant nor the Master Association make any representations whatsoever as to the security of the premises or the effectiveness of any monitoring system, guardhouse, or security service. All Members agree to hold Declarant and the Master Association harmless from any loss or claim arising from the occurrence of any crime or other act. Neither the Master Association, Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Property...”

This Section 14.05 held harmless the Master Association from any loss or claim arising from the occurrence of any crime or other act within the Strand. It furthermore stated that the Master Association is not held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures.

Without this Section in the Documents, it appears that the Master Association and every member by extension, could be held liable if there was a crime on the Strand property. There was a specific reason that the lawyer for the Original Documents included this section.

If there is ever an incident regarding Security and a crime within the Strand, I’m sure some lawyer will point to the fact that the Master Association did not provide adequate security to prevent the crime from occurring. Furthermore this would be evident in the fact that the **"Board intentionally removed this section for a reason"**. I would imagine that the Case would be easily won by the plaintiff and any Master liability insurance may not cover this type of case since that "security protection clause" was intentionally removed by the Master Board.

a. Question. Why was this section eliminated in its entirety?

b. Question. What harm would it present to the Strand Community to keep this section as originally written with the only modification being deletion of references to the Developer?

B. Original Article VII - Easements and Other Rights

1. Item 7.06 Right of Entry (from Original Documents).

The entire Article VII section **7.06 Right of Entry**, in the original Declarations, was completely **Deleted**. This original Section reads in part (Highlighted for emphasis):

"The Master Association shall have the right, but not the obligation, to enter into any Parcel for emergency and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the BY-Laws, and the Master Association rules..... This right of entry shall include the right of the Association to enter a Parcel to cure any ..other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board".

This right of entry allows the Master Board members to enter a Parcel in any Neighborhood without objection, for example to insure compliance with the Use Restrictions. The only reference I found similar to this was in the New Proposed By-Laws Section 9.5 - Insurance. This section reads (highlight for emphasis):

9.5 Master Association's Right of Entry. For the purpose of performing the duties authorized by this section, the Master Association, through its duly authorized agents and employees, shall have the right, after reasonable notice to the Owner, to enter upon the Parcel at reasonable hours.

However, if you read it carefully it states that the Master Association may enter a Parcel **but only as it pertains** to Section 9.0 which deals with Insurance and Reconstruction.

a. Question. Is there a similar Section 7.06 and 6.02 in the New Proposed Declarations that allows the Master a blanket right of entry versus specific right of entry sections 9.5?

2. Item 4.7 Extent of Easements

The following items were added to the New Proposed Declarations of 11-19-2021:

(A) the right of the Master Association, in accordance with its Bylaws, to borrow money for the purpose of improving and/or maintaining the Common Areas and providing the services herein, and, to aid thereof, to mortgage said properties;

(B) the right of the Master Association to adopt and amend administrative Rules and Regulations governing the use, maintenance, management and control of the easements and the operation of the Master Association, and to among other remedies, set and impose fines as may be necessary to enforce compliance with Rules and Regulations that are adopted by The Master Association Board of Directors and with the Covenants, Conditions, Restrictions and Easements

a. Question. Why was Item A added which allows the Master Board to Borrow money (i.e. Mortgage) for improving Common Areas, e.g. Special Projects that the Master Board desires ?

b. Question. Item B was Expanded from the March 2021 issue of the Proposed Declarations to include the right to imposed fines to enforce compliance. Why was this item expanded when the right of the Master to impose fines and force compliance to the Documents is already covered in numerous other areas?

C. Section 5 - Maintenance

A. Item 5.4 - Enforcement of Maintenance

From the New Proposed Declarations, this section reads in part (highlighted for emphasis):

"If the Owner of a Parcel fails to maintain the Parcel as required above, the Master Association shall have the right to institute legal proceedings to enforce compliance or may take any and all other steps necessary to remedy such violation, including, but not limited to, entering the Parcel and remedying the violation, with or without consent of the Parcel Owner but only after ten (10) days' written notice of intent to do so...."

The original Documents, under section 6.03 pertaining to Maintenance, had a sentence that read in part.

"Prior to entry, the Master Association shall afford the Owner reasonable notice and an opportunity to remedy the situation, except when entry is required due to an emergency".

In essence, this original statement allowed the Owner to remedy the situation that was in violation of the Master Standards before the Master made any attempt to take legal action against the homeowner or enter the parcel to remedy the situation itself. Without this legal safeguard, the Master has complete control over correcting perceived violations. The new Section only gives the Homeowner notice that they will entry the property and does allow any other owner remedies.

a. Question. Why was this original important safeguard, to allow a homeowner to correct any maintenance violation, **Deleted** from the New Section 5.4 of the Proposed Declarations?

b. Question. Is there another section of the New Proposed Documents that would offer other remedies to the Owner before forced legal action by the Master and imposing the Master's right to correct any maintenance violation?

3. New Proposed By-Laws

A. Original Article IX- Meetings of Board of Directors

1. Item 3.0 Special Meetings.

This entire Article IX section **3.0 Special Meetings**, in the original By-Laws, was completely **Deleted**. That section stated in part:

"Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to-be considered.....No business shall be transacted at a special meeting except as stated in the notice".

What is interesting is that under the New Proposed By-Laws, there is a similar section titled "**3.2 Special Meetings of the Neighborhood Representatives**".

However there is **NO such section** regarding a Special Meeting of the Board of Directors. Again, the Neighborhood Representative section has numerous references to meeting format, types, etc. but the Master Board of Director section appears to be lacking in much of these details and restraints.

The original intent for this Section was for the Master Board to be able to call a Special meeting not only for Rules, Assessment changes but also for **any particular item** deemed necessary by the Master Board, e.g. a Special Meeting was called for the roadway repaving contract review.

This important section specifically limits what can be discussed at the meeting and requires a 14 day notice to the members to allow them ample time to schedule their attendance.

a. Question. Why was the Section regarding Master Board Special Meetings DELETED from the Master Board section?