

## The proposed-amended Bylaws (next page) go from five pages to fifteen.

### Here's why:

- At the recommendation of the HOA attorney, Richard Archibald, governing instruments need to include a section that establishes the organization (1.01) and where currently there are seven, nineteen terms are included in the “Definitions,” (Section III).
- A “Governance” Section (IV) has been added, which includes state mandated rules (4.02-4.08) and establishes the Board’s obligation to govern with integrity and accountability (4.01).
- An entire section (V) focuses on “Meetings of Members,” which, in addition to guidelines that are state mandated (5.01-5.06), establishes a modicum of decorum & order (5.08 & 5.09) and protects the rights of homeowners to present motions (5.10).
  - Section 5.02 will establish that annual meetings be held the first week of October, which provides a more definitive timeframe than before and, reflective of the State statute, notice for annual meetings also changes from thirty days to ten (5.06).
  - One significant change includes the ability of ten percent (10%) of the Members to call a “Special Meeting” of the membership whereas currently, only the president can do this (5.03).
- State mandated rules necessitate the inclusion of a section devoted entirely to Voting & Elections (VI), whereas balloting guidelines are dictated by the state (6.02-6.03).
  - This section also establishes a process for nominating and voting for members of the Board (6.04) as was employed during the October 2014 Annual Meeting.
  - Where currently, only the Board may amend the Bylaws, the amended Bylaws allow any Member to bring forth an amendment.
  - When new state laws are enacted that either adds new HOA requirements or invalidates certain parts of the instrument, the Board would then be able to change the Bylaws to bring them into compliance, but only after homeowners are afforded 60 days to review the changes and only if 20% of the Members (14 by count) do not object (6.06A).
- Section VII, “Board of Directors,” amplifies the duties and responsibilities of the Board Officers (7.04) and the Board’s fiduciary obligation to the Association (7.02).
  - Section 7.01 ends the confusion regarding the role of the three members of the ARC. *Regardless the result of ballot initiative #1, which amends and updates the CC&Rs, or this initiative to amend the Bylaws, the ARC members shall remain as full and equal voting members of the Board.*
  - **The proposed changes to the Bylaws DO NOT grant the Board more authority than currently exists within the existing Bylaws or superseding state statutes (7.03)** but do include the added expectation of maintaining the financial well being of the Association. Accordingly, the proposed amended Bylaws also:
    - Eliminates the ability of the Board to grant itself authority and duties as they determine (current Bylaw 4.04(f)).
    - Removes the added title of the President as “CEO.”
    - Allows Members to remove a Director from the Board (7.10B).
  - As with each section, state mandated rules are also included (7.09 & 7.10A).
- “Meetings of the Board” (VIII) is highly regulated by state statute. Most of the included wording (8.01, 8.02, 8.06, 8.07, 8.10) is practically verbatim to the State Property Code.