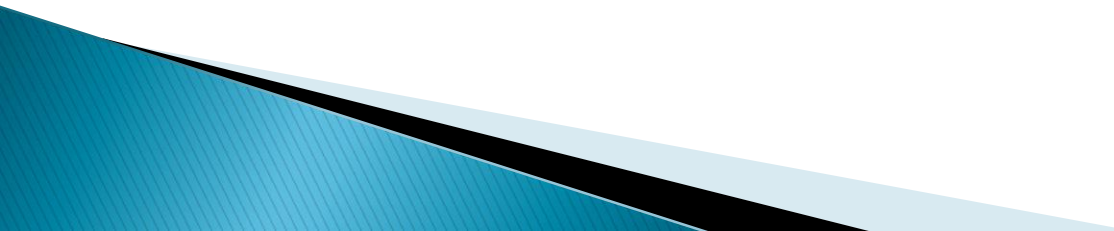


Bylaws Review Committee

Preliminary Recommendations for
Bylaws Amendments to the Board

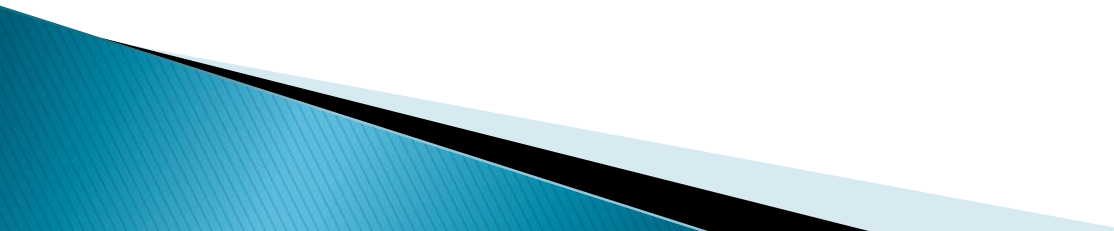
Presented 11/16/21

Deadlines & next steps

- ▶ **Tonight:** Presentation of preliminary recommendations to the Board
 - ▶ **Friday: Board feedback requested by 11:00 am**
 - ▶ **This month:** Attorney reviews recommendations
 - ▶ **December:** Board approves final draft
 - ▶ **January:** Post draft Bylaws on website for member review; town hall scheduled for 1/13/22
 - ▶ **February:** Make final changes based on town hall feedback
 - ▶ **March:** Proposed amended Bylaws included in annual meeting packet, for homeowner vote
- 

Work process

The Committee considered all suggestions submitted by members and committees.

- ▶ Several suggestions concerned other governing documents like policies, architectural guidelines, or enforcement.
 - ▶ Some suggestions we may support in the future, but we asked the Association's attorney to give us further guidance on those few issues.
 - ▶ Some suggestions we did not agree with or felt no changes were needed to the existing Bylaws.
 - ▶ Some suggestions we agreed with, but did not think they were appropriate for the Bylaws. In those cases, we will recommend the Board adopt some new or revised policies.
- 

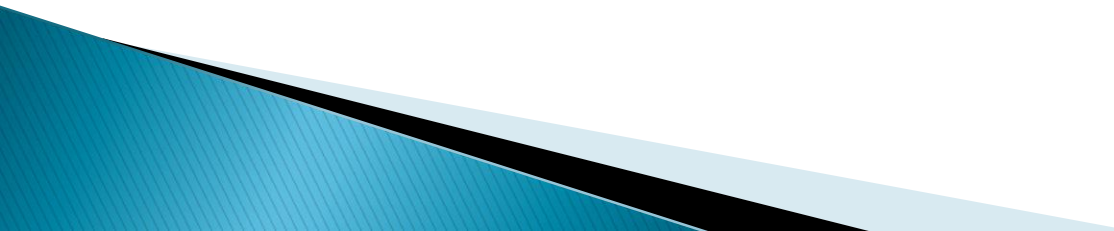
Our recommendations

- ▶ Following are summaries of the changes we recommend to the Bylaws at this point, and our rationale for each.
- ▶ We will take Board feedback into consideration, attorney recommendations, and feedback from members at the town hall, before preparing a final redline draft of Amended Bylaws for members to vote on

Director residency

Recommendation: Article II, Section 13: “Full time resident means and refers to an individual lot owner who is a legal resident of the Association.”

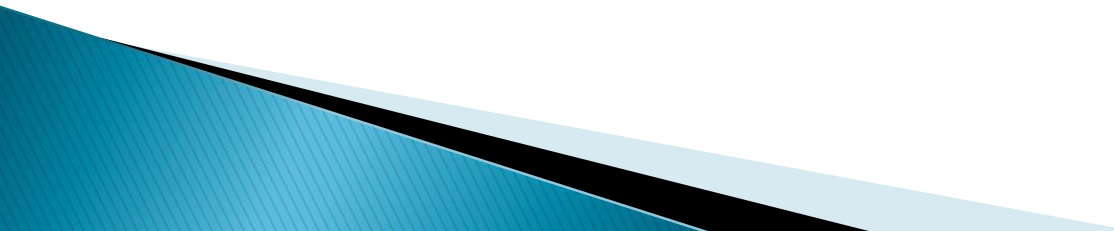
Rationale: The Bylaws already provide that the Board can remove directors who are missing meetings without cause. Remote meetings facilitate directors’ ability to be active members even when not physically in Eldorado.



Electronic meetings

Recommendation: Article VI, Sections 6 and 7: “Unless there is a health or safety reason, a majority of members of the Board or of a committee shall be physically present at a designated meeting site when quorum is established.” Same rule for organizational meetings.

Rationale: Change clarifies that electronic meetings are approved under the Bylaws, but encourages in person meetings when no health or safety risk is present.



Conflict of interest

Recommendation: Article V Section 8: “In the event any Director has a Conflict of Interest with regard to any matter coming before the Board, then

- (a) the conflicted Director must disclose his or her potential Conflict of Interest, either in writing or verbally, to the Board in an open meeting, before discussion of or action on the matter at a Board meeting. This disclosure must be noted in the Minutes.
- (b) After disclosing the facts of the Conflict of Interest, the Director may choose one of the following two courses of action, either:
 - i. Voluntarily recuse him or herself from making a motion, debating or voting on the matter; or
 - ii. Make a motion for the Board to vote on whether or not to recuse the potentially conflicted Director. Before making this motion, the potentially conflicted Director must disclose to the Board all material facts regarding his or her interest in the matter. The potentially conflicted Director may not vote on the motion to recuse.
- (c) Following either a voluntary, or the Board’s vote on a, recusal, the Director may be treated like any other MIGS and speak or present evidence in the same fashion.


Rationale: The current text is confusing. New language clarifies how a conflicted or potentially conflicted director must act, and when they can speak or vote.

Open meetings

Recommendations: Article II, new section: “A meeting is a single official gathering of the Members in one room or area, by telephone or videoconference, or in any other electronic session, concurrently, for the purpose of making decisions about, and transacting the business of, the association.”

Article VI, Section 3: “If any number of directors gather in any social or other unofficial setting, which is not an official meeting, then during that time they may not make decisions about or transact the business of the association.”

Rationale: Changes define what a meeting is, and require that ECIA business must take place in open meetings only. Recommend committee charters also use this definition.



Meeting notices to directors

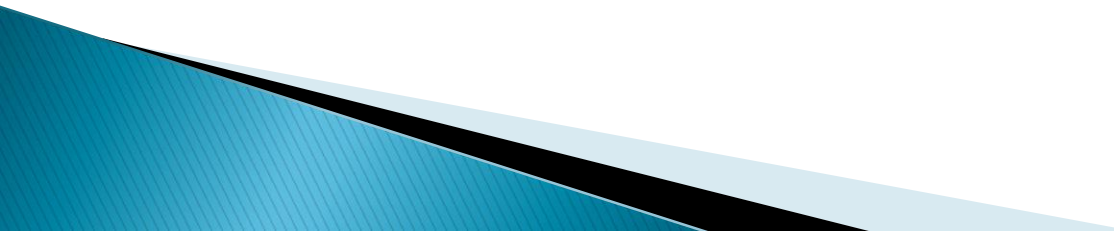
Recommendation: Article VI Section 10: allow meeting notices to be sent to Directors via email.

Rationale: Email notice is now standard practice and may be more prompt than US mail.

Electronic voting

Recommendation: Change Article VII Section 2(a) to read "voting will be done with a written ballot mailed or, when a process is approved by the Board, otherwise delivered by electronic means, to MIGS...."

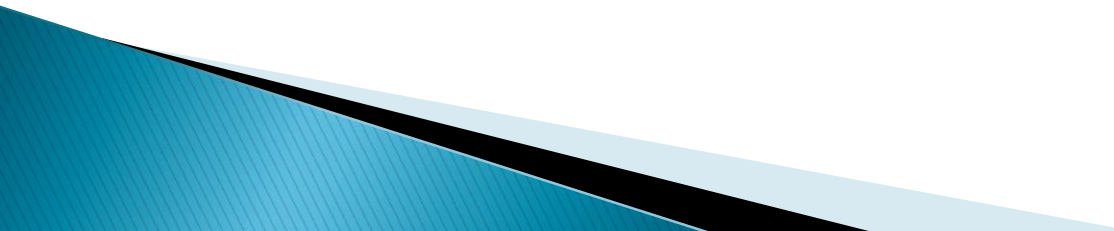
Rationale: The change is consistent with the HOA Act, NMSA 47-16-9(A), which says HOAs may deliver ballots by mail or they "may provide for some other form of delivery." If in the future an electronic voting process is developed and approved by the Board, then the Bylaws would not prevent implementation of the new voting process.



Recall petition for “Just Cause”

Recommendation: Change Article VIII Section 2(b)(ii) to require a petition to recall a board member to list the “Just Cause” reason why the signatories propose to remove the director, and must include the definition of Just Cause: “a standard of reasonableness used to evaluate a person’s actions in a given set of circumstances.”

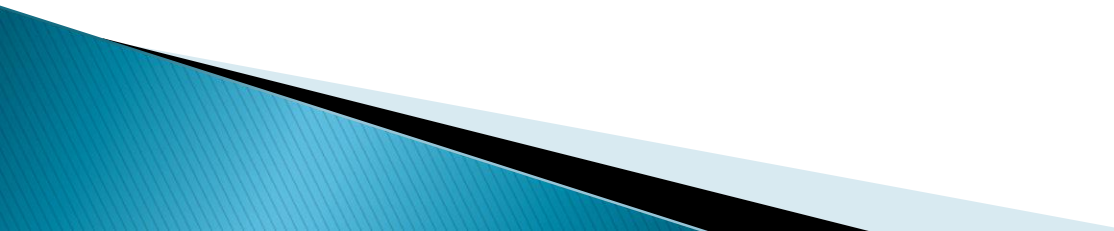
Rationale: Members should retain their broader reasons to petition to remove directors than those which limit the board’s ability to remove directors, but members should not be able to petition for removal of a director for only arbitrary reasons. Also, make sure everyone signing a petition sees the definition of “Just Cause.”



Polices on the website

Recommendation: Article IX Section 2(l): "Adopt policies and changes to policies by Board decision after notice to the Membership as required by State law. All policies shall be published and made available to the membership on the association website and also available for review in person."

Rationale: This change brings the Bylaws in line with current HOA law and practice.



Officers and checking accounts

Recommendations: Article X Section 8: President, Vice President and Treasurer will be listed as signers on all Association checking accounts; in order of precedence, each can “sign or authorize the General Manager to issue checks or transfer funds, when the amount of the transaction exceeds the General Manager’s spending authority.”

Rationale: Changes are consistent with actual practice now that most checks are issued electronically.



Bylaws amendment votes

Recommendation: Article XVI, Section 2"...upon the affirmative vote of not less than sixty percent (60%) of the total votes deemed to be valid and which are cast by Members Eligible To Vote as of the Date of Record established by the Board."

Rationale: Minor change recommended by the Elections Committee to ensure only valid votes are counted.



QUESTIONS? FEEDBACK?

- ▶ Please send feedback to the Bylaws Review Committee by Friday, 11/19/21 by 11:00 am to bylawsreviewchair@gmail.com