

# Summary of Proposed Changes to the Bylaws

## OVERALL

- *Please note that the document is still under legal review and may have additional adjustments based on the legal feedback.*
  - o See comments for areas where the Bylaws Committee specifically asked for legal feedback.
- General rearranging and clean-up of the document to make it more in-line with current times, readable, and make the terms consistent throughout the document.

## ARTICLE I - DEFINITIONS

- Section 7: Addition of formal definitions for the following terms:
  - o Director
  - o Section Director
  - o At Large Director
  - o Lot Owner

## ARTICLE III - MEMBER MEETINGS AND VOTING

- Section 2(b): Electronic Meetings - added verbiage to allow for remote member meetings.
- Section 3: Special Meetings - added the ability for President to call a special meeting for a specific section.
- Section 4: Notice of Member Meetings:
  - o Updated verbiage on when notifications go out to meet current laws.
  - o Added verbiage to allow for electronic communication.
- Section 5(b): Quorum - added verbiage for quorum for special section-specific member meetings.
- Section 8: Ballots:
  - o Updated verbiage to allow for electronic member voting.
  - o Added verbiage clarifying when/how ballots are accepted.

## ARTICLE IV - BOARD OF DIRECTORS

- Section 2: Number, Term, Qualifications - clarified requirements to be eligible to serve on the Board as a Section or At Large Director. Section Directors require residence and lot ownership. Both At Large Directors do not require residency but still require lot ownership. Clarification of when a Director ceases to be eligible to serve.
  - o See <https://guides.sll.texas.gov/property-owners-associations/board-of-directors> for details on legality of these restrictions.
- Section 3: Nomination - changed candidate submission from 90 to 45 days. Clarification of the nomination process and timing for Directors.
- Section 4: Vacancies, Resignation, Removal - added verbiage to allow for removal of Director for cause.
- Section 5: Election of Officers:
  - o Clarified language to allow for nominations beyond Nominating Committee.
  - o Clarified verbiage on who can vote but didn't change current policy of newly elected Directors not being able to vote for Officers.

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- Added Director can only hold one Officer position.
- Candidate must be Director for at least one year before being eligible to run for Officer position.
- Verbiage on how tie is handled in Officer election.
- Section 6: Notice of Meetings - updated verbiage to modernize and comply with current Code.
- Section 7: Regular Meetings - updated language to reflect current Property Code.
- Section 10: Action Taken Without a Meeting – modernized and clarified the text.

## **ARTICLE V - POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

- Section 1: Powers - Clarification and modernization of non-profit status, budget process, and other current powers of the association. This includes details on the security services by a law enforcement agency (versus a security company).

## **Article VI - OFFICERS**

- Section 1: Titles and Term of Office - clarification of officer roles and the requirement of 2/3 of the full Board for removal of an officer and voting to replace any officer removed.
- Section 2: Election of Officers - updating of the timing for electing officers
- Section 3: Duties of the President - updated President's voting rights to match current Robert's Rules of Order; see <https://robertsrules.com/frequently-asked-questions/>, Question 1 and answer.
- Removal of outdated Bond Requirement language.

## **Article VII - FINANCIAL MANAGEMENT**

- Section 3: Accounts:
  - modernization of the financial management language throughout this section.
  - The addition of language that MCIA monies be held in an FDIC insured account/ institution.
- Section 5: Budget:
  - Increased the requirement for Board approval for items that are not in the budget \$5,000 to \$10,000.
  - Increased the limit for projects that need to go out to formal bid from \$5,000 to \$50,000 to coincide with the Procurement Policy and Property Code.

## **ARTICLE VIII - MISCELLANEOUS PROVISIONS**

- Consolidated this Article with Article XI – MISCELLANEOUS.

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## **ARTICLE X - COMMITTEES**

- Section 1: Standing Committees - updated committee roles and names to better reflect current practice:
  - Changed “Program and Community Relations Committee” name to “Events Committee”
  - Changed “Legal, By Laws and Flood Committee” name to “By Laws Committee”
  - Changed “Image Committee” name to “Landscape Committee”
  - Changed “Deed Restriction Compliance Committee” to “Policy Committee”
  - Changed “Deed Restriction Renewal Committee” to “Deed Restriction Committee”
  - Eliminated “Nominating Committee”
  - Added “Executive Committee”
  - Added “Election Committee”

## **ARTICLE XI - MISCELLANEOUS**

- Section 3: Compensation - removal of the option for the Board members to receive compensation for their services and clarification that Board members are volunteers.