

MESA VILLAGE HOMEOWNERS ASSOCIATION

KEY CHANGES IN BYLAWS

The provisions in the new proposed Bylaws are primarily statutory required for all Associations. In addition, there are a few proposed changes that are significant and will be outlined in this summary. The proposed Bylaws are in a completely new format and it would prove to be very lengthy to analyze each provision in the Bylaws and compare provisions that are in different places but are virtually unchanged. The items addressed in the summary are not only a few changes proposed by the Board, but also changes that are now mandated by recent legislation. This summary will point out the changes that were mandated by the recent legislation and those that have been proposed by the Board. The sections below will reference the location of these provisions in the proposed Bylaws.

1. Section 3.4.1.3, entitled **Quorum Exemption**, is new and not required by statute. It eliminates the quorum requirement for annual meetings of the membership in order to conduct the election of directors, approval of the former year's meeting minutes, and the approval of the standard IRS resolution. All other business conducted at the annual meeting or special membership meetings does require a quorum.
2. Section 4.2, entitled **Eligibility to Vote**, provides that no member shall be denied a ballot for any other reason than not being a member of the Association. Your Bylaws previously contained a good standing requirement in order to vote, but that has been eliminated by recent legislation.
3. Section 4.3, entitled **Proxies**, eliminates the use of proxies which are permitted in the current Bylaws. This change is optional and not required by statute.
4. Section 4.5, entitled **Election Rules**, requires the adoption of Election Rules as required by law.
5. Section 4.6, entitled **Inspectors of Election**, is updated per the new law and does not allow any person or business entity employed by the Association to count the ballots.
6. Section 4.7 outlines the **Secret Ballot Election Procedures** in accordance with the new election laws. These procedures only took effect as of January 2020. The procedures for election of Board members is a three-part process and is outlined in this section.
7. Section 5.8, entitled **Declaration of Vacancy**, is new and not required by statute. It sets forth the qualifications of Board members while serving and requires them to be in good

standing, and to observe the Director Code of Conduct while in office or be subject to removal by the remaining Board members.

8. Section 6.1.1, entitled **Board Candidate Qualifications**, provides that those qualifications will be specified in the Association Election Rules consistent with Civil Code Section 5105. These qualifications are all statutory and are listed in the Election Rules.
9. Section 6.2, entitled **Election**, eliminates the use of cumulative voting for Board members, which is currently permitted under the existing Bylaws.
10. Section .7 .7, entitled **Teleconference Meetings**, is new but permitted by statute and allows Board meetings to be conducted via teleconference. It also sets forth the requirements for them.
11. Section 7.11, entitled **Conflict of Interest Restrictions on Director Votes**, is statutory and outlines situations in which directors are not permitted to vote because of a conflict of interest.

The remainder of the proposed Bylaws contain standard provisions that are consistent with the statutory law and make no significant change from your existing Bylaws.