

Suggested Election-Related Bylaw Changes and Clarifications

June 22, 2021

The Nominating Committee recommends several changes to the portions of the Bylaws that relate to Elections. The proposed modifications and the reasoning for each are listed below.

Current	Proposed
ARTICLE II – DEFINITIONS	
<p>Section 1. ABSENTEE BALLOT Shall mean and refer to a vote cast by an eligible Member who is unable to be present for a meeting.</p>	<p>Section 1. ABSENTEE BALLOT Shall mean and refer to a vote cast, <u>using paper or by electronic means</u>, by an eligible Member who is unable to be present for a meeting.</p>
<p>Reasoning: With the addition of electronic voting as an option for Absentee voting, we just want to clarify that the term absentee ballot applies to both paper and electronic ballots. Please note that our attorney has already said that electronic votes count as written votes. We are just adding the specific clarification so there is no confusion.</p>	

ARTICLE IV - BOARD OF DIRECTORS SELECTION AND TERM OF OFFICE	
<p>Section 1. NUMBER The affairs of this Association shall be managed by a Board of eleven (11) directors, who must be property owners, and therefore Members of the Association who are eligible and in good standing.</p>	<p>Section 1. NUMBER The affairs of this Association shall be managed by a Board of eleven (11) <u>nine (9)</u> directors, who must be property owners, and therefore Members of the Association who are eligible and in good standing. <u>The transition from eleven (11) to nine (9) directors shall start at the 2022 annual meeting of Members whereby three (3) director terms shall be filled each year and every year thereafter.</u></p>
<p>Reasoning: Many feel that eleven Directors is too many. It makes it more cumbersome to conduct Board duties and it seems excessive compared to the size of our community. For example, there are more than 89,000 people living in Frederick County and the County Board of Supervisors has seven members. By changing to nine Directors, we would have three new terms starting every year as opposed to three or four every year that we have now.</p>	

ARTICLE IV - BOARD OF DIRECTORS SELECTION AND TERM OF OFFICE	
<p>Section 2. TERM OF OFFICE Terms of office of the Directors shall be three years and staggered. Normally, either three or four Director positions shall be open in an election. Beginning in 2009, four (4) three-year Director positions are open; in 2010, four (4) three-year Director positions are open; in 2011, three (3) three-year Director positions are open. This cycle of three-year terms repeats every three years beginning in 2012, 2015, 2018, et cetera. Directors elected by the membership at the annual meeting</p>	<p>Section 2. TERM OF OFFICE Terms of office of the Directors shall be three years and staggered. Normally, either three or four Director positions shall be open in an election. Beginning in 2009, four (4) three-year Director positions are open; in 2010, four (4) three-year Director positions are open; in 2011, three (3) three-year Director positions are open. This cycle of three-year terms repeats every three years beginning in 2012, 2015, 2018, et cetera. Directors elected by the membership at the annual meeting</p>

<p>shall not serve more than six (6) years consecutively. Directors may, however, seek reelection at an annual meeting of the membership after having been off the Board for one (1) year. In the event that any sitting Director has failed for any reason to complete his/her term of office, the candidate who is appointed by the majority affirmative vote of the Board to take his/her place shall serve only until the next annual meeting of the membership. The term of any interim Director as appointed by a majority affirmative vote of the Board of Directors shall not be considered a term of office for the purpose of term limits.</p>	<p>shall not serve more than six (6) years consecutively. <u>No Member shall be eligible to run for a Director position if, as a result of his/her election at the annual meeting of Members, that Member shall have served more than six (6) consecutive years on the Board.</u> Directors may, however, seek reelection at an annual meeting of the membership <u>or be appointed</u> after having been off the Board for one (1) year. In the event that any sitting Director has failed for any reason to complete his/her term of office, the candidate who is appointed by the majority affirmative vote of the Board to take his/her place shall serve only until the next annual meeting of the membership. The term of any interim Director as appointed by a majority affirmative vote of the Board of Directors shall not be considered a term of office for the purpose of term limits.</p>
<p>Section 3. REMOVAL AND RESIGNATION In the event of the resignation or removal of a Director, his/her successor may be appointed by a majority affirmative vote of the remaining members of the Board of Directors and shall serve until the next annual meeting of the Members. The rest of the remaining term shall be filled by vote of the membership at the annual meeting of the Members. A director may be removed by the majority vote of the membership of the Association attending a properly called meeting (annual or special). The director or directors so involved must be given proper notice of this meeting, and an opportunity to address the Association. Directors wishing to resign must do so by giving written notice to the Board of Directors of their desire to resign which shall be effective upon the date of receipt of such notice of resignation or at whatever later time is specified within the notice.</p>	<p>Section 3. <u>VACANCY DUE TO REMOVAL, AND RESIGNATION OR DEATH</u> In the event of the <u>removal</u>, resignation or removal <u>death</u> of a Director, his/her successor may be appointed by a majority affirmative vote of the remaining members of the Board of Directors and shall serve <u>only</u> until the next annual <u>membership</u> meeting of the Members. <u>The time the appointed successor serves as a Director shall not count for the purpose of term limits.</u> The rest of the remaining vacated term shall be filled by vote of the membership at the annual meeting of the Members and shall count as a term of office for the purpose of term limits.</p> <p>A director may be removed by the majority vote of the membership of the Association attending a properly called <u>annual or special</u> meeting (annual or special). The <u>Director(s)</u> or directors so involved <u>must shall</u> be given proper notice of this meeting, and an opportunity to address the <u>Association membership</u>. Directors wishing to resign must do so by giving <u>shall give</u> written notice to the Board of Directors of their desire to resign which shall be effective upon the date of receipt of such notice of resignation or at whatever <u>a</u> later time is <u>as</u> specified within the notice <u>or by the Board of Directors.</u> <u>The Board of Directors shall notify the membership of the resignation promptly.</u></p>
<p>Section 4. VACANCY In the event of a vacancy on the Board of Directors due to death, his/her successor may be appointed by a majority affirmative vote of the remaining members of the Board of Directors and shall serve</p>	<p>Section 4. VACANCY In the event of a vacancy on the Board of Directors due to death, his/her successor may be appointed by a majority affirmative vote of the remaining members of the Board of Directors and shall serve</p>

until the next annual meeting of the Members.	until the next annual meeting of the Members. Note: This information is now covered in Section 3.
Section 5. COMPENSATION No director shall receive compensation for any service he/she may render to the Association in his/her capacity as a director. Any director, however, may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.	Section 5 4. COMPENSATION No director shall receive compensation for any service he/she may render to the Association in his/her capacity as a director. Any director, however, may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.
Reasoning: It was felt at the May Board Meeting that Article IV was not as clear as we would like regarding term limits and was also unnecessarily repetitive. The goal of the proposed changes is to make this article clearer and more succinct.	

ARTICLE VI - NOMINATION AND ELECTION OF DIRECTORS	
Section 2. ELECTION Election to the Board of Directors shall be by secret written ballot. At each such election the Members present in person or by absentee ballot may cast, with respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Articles of Incorporation. There shall be no voting by proxy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Directors shall be elected to terms in accordance with Article IV, Section 2, of these Bylaws.	Section 2. ELECTION Election to the Board of Directors shall be by secret written <u>or electronic</u> ballot. At each such election the Members present in person or by absentee ballot may cast, with respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Articles of Incorporation. There shall be no voting by proxy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Directors shall be elected to terms in accordance with Article IV, Section 2, of these Bylaws.
Reasoning: With the addition of electronic voting as an option for Absentee voting, we just want to clarify that the term secret written ballot applies to both paper and electronic ballots. Please note that our attorney has already said that electronic votes count as written votes. We are just adding the specific clarification so there is no confusion.	

RECOMMENDATION:

We recommend that the Board approve the proposed revisions. Once approved, they will be included on the ballot for the 2021 Annual Meeting of Members.

PROPOSED MOTION/ACTION:

Move that the LHCC Board approves the Nominating Committee Recommendations.

SPONSOR:

The LHCC Nominating Committee
Betka Hardgrave, Board Liaison