

Recommendations for Bylaws Changes

October 22, 2015

NOTE: Changes in the Declaration language are denoted with *italics* (new language) and ~~strikethrough~~ (removed language.)

PROPOSED CHANGES TO BYLAWS REGARDING COMMITTEES

[Governing Documents Committee (GovDocCmte) note: These suggested changes are to clarify the difference between the types of committees and align what the Association calls the committees with the language in the Montana non-profit corporation law. Certain sections and wording have been retained, but since the old material is arranged in a different order for proper flow with the new material, it may be crossed out, but appear in a later paragraph. The suggested list of committees was deleted since history has shown the Association knows how to form committees according to current needs.]

[Lawyers' input: (The GovDocCmte had originally proposed adding a "member committee" to this section.) Removed *4. Member Committees* from proposed changes by GovDocCmte for several reasons:

- A "member committee" is not a Director Committee and shouldn't be in the Director section, putting it there only leads to confusion;
- members are already creating ad hoc member committees, they don't need Bylaw authority to do that;
- it is potentially confusing to landowners as to what effect this committee would have on decision making and since the Board is liable and responsible, we don't want to introduce any confusion into the decision making process.

Changed the "shall" to "may" on creating committee charters since that opens a door to liability/lawsuits and we have worked with committees without charters successfully for almost twenty years.

Changed the "shall" to "may" on filling committee vacancies since there might be times when it isn't necessary.]

Article VI Section I. Committees. The Board of Directors may from time to time appoint such committees from among the Board of Directors, the Members of the Association, or others as it may, in its discretion, determine is appropriate to assist in the conduct of the affairs of the Association. ~~Only Committees of Directors constituted pursuant to the Montana Nonprofit Corporation Act may exercise the authority or powers of the Board of Directors and they may do so only to the extent authorized by the Board. Such Committees of Directors are formed by the Board appointing members to serve on them. Each Committee of Directors must have at least two (2) members who are Directors and who serve at the pleasure of the Board. The creation of a Committee of Directors and the appointment of members to it must be approved by the greater of a majority of all the Directors in office when the action is taken or by any specified number or majority of Directors when required by the Articles of Incorporation or Bylaws.~~

GLASTONBURY LANDOWNERS ASSOCIATION, INC.

1. Committees of the Board. Pursuant to the Title 35, Chapter 2, Montana Code Annotated and, subject to the restrictions stated therein, the Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees made up solely of Directors of the Board. Each Committee of the Board may have a written charter consisting of scope and duties and shall consist of two or more Directors. These committees, to the extent provided in the charter, shall have and exercise the authority of the Board of Directors in the management of the association. Such committees may be dissolved at any time by the Board of Directors.

Each Committee of the Board may not authorize distributions; approve or recommend to members dissolution, merger, or the sale, pledge or transfer of all or substantially all of the corporation's assets; elect, appoint or remove Directors or fill vacancies on the Board or on any of its committees; or adopt, amend or repeal the Articles of Incorporation or Bylaws.

2. General Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may create such additional committees, each of which may have a written charter consisting of scope and duties, as it deems necessary to conduct the affairs of the corporation. General Committees shall not have the ability to exercise the authority of the Board of Directors. A General Committee shall be composed of Board members, Members of the Association or others as chosen by the Board that, in its discretion, determine is appropriate to serve the purpose of the committee. A General Committee may be dissolved at any time by the Board. Any member thereof may be removed by the Board at any time, or

- a. at the request of a majority of the committee members
- b. due to lack of involvement such as missing three consecutive meetings; or
- c. violation of the Conduct of Meeting Policy.

3. Advisory Committees. The Board may appoint advisory committees, each of which may have a written charter consisting of scope and duties and which committees need not include any Directors.

4. Chairman. Committee Chairmen are appointed by the Board. Once appointed, the committee cannot elect a different Chairman. However, a majority of committee may apply to the Board for the appointment of a new Chairman.

5. Notice of Meeting, Governance. The provisions of Article VI herein which govern meetings, actions at meetings, notice, waiver of notice, quorum and voting requirements of the Board also apply to Committees of the Board and General Committees and their members. Meeting agendas shall be set by the Chairman. All committees shall keep Minutes reflecting the committee members attending and the actions taken.

6. Vacancies. Vacancies in the membership of any committee may, at the discretion of the Board, be filled by appointments made by the Board.

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~~Committees which the Board may form include, but are not limited to, the following:~~

- ~~1. Financial Committee, initially chaired by the Treasurer, to do financial planning, budgeting, collecting of assessments and such projects as may be given to that committee;~~
- ~~2. Project Review Committee, initially composed of the Board of Directors, to oversee the development of the Community's Master Plan and the Rules regarding architecture and land use;~~
- ~~3. Architecture Subcommittee, serving under the Project Review Committee, which may include qualified individuals such as builders, architects, civil engineers, land planners, etc., to oversee proposed site plans and building plans that must be submitted by Landowners to the Association for recommendations, review and approval in accordance with the Covenants. In case the Project Review Committee is phased out upon completion of the Master Plan, the Architecture Subcommittee shall become the Project Review Committee directly under the Board of Directors;~~
- ~~4. Legal Committee, to suggest Rules for the Community and to attend to legal matters and Community elections;~~
- ~~5. Community Preparedness Committee, to serve as liaison with the Sheriffs department, paramedics and fire department, to formulate emergency and disaster plans, and to coordinate shelter development and interaction;~~
- ~~6. Communications Committee, to oversee public relations and intracommunity communications and county relationships;~~
- ~~7. Community Property Committee, to oversee the maintenance and upkeep of community property;~~
- ~~8. Community Life Committee, to serve as liaison with community schools, recreational and social events, groups and in general to foster community spirit; and~~
- ~~9. Economic Development Committee, to foster a climate of economic growth and business expansion.~~

PROPOSED BYLAW CHANGES TO ALIGN THE DIFFERENT REFERENCES TO MEETINGS

[GovDocCmte notes: Article VI, Section E is changed to expand the meetings at which Board vacancies can be dealt with. Currently we have a Special Meeting to handle Board appointments on the same evening as a regular board meeting, thus having two meetings and meeting minutes instead of just one.]

Article VI Section E. Vacancies. Vacancies in the Board of Directors between Annual Meetings, caused by any reason, shall be filled by a vote of a majority of the remaining members of the Board at a Special Meeting of the Board held for that purpose *or at a regular Board meeting*, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member whose term he is filling and until his successor shall be elected and shall qualify.

[GovDocCmte notes: The addition of “Special” to define the meeting referred to in this sentence is to give clarification. Any meeting that is not a regular board meeting, by its nature, is a special meeting.]

Article VI Section F. Directors’ Meetings. All business of the Board other than confidential matters (in the discretion of the Board) shall be conducted in an open meeting. *Special Meetings* of the Board may be called at any time by the President or a quorum of Directors and may be held at any time and place upon the giving of reasonable notice.

[GovDocCmte note: Changes reference to Special Meeting agenda since the Special Meeting’s agenda is covered earlier in Article VI Section G.]

Article VI Section P. Meeting Agenda. The order of business at any regular *meeting* or ~~Special Meeting~~ of the Board of Directors shall include, *as far as practicable*:

1. Reading and disposition of any unapproved Minutes;
2. Reports of officers and committees;
3. Ombudsman report(s);
4. Unfinished business;
5. New business;
6. Open floor comment period; and
7. Adjournment.

[GovDocCmte note: Changes reference to Special Meeting agenda since the Special Meeting's agenda is covered earlier in Article V Section C.]

Article V Section H. Order of Business. The order of business of all meetings *except Special Meetings* of the Members shall include, as far as practicable, the following:

1. Roll call and certification of proxies and verification of quorum;
2. Proof of notice of meeting and collection of waivers of notice;
3. Reading of Minutes of preceding meeting;
4. Reports of directors and officers;
5. Reports of committees;
6. Election of directors, if necessary;
7. Unfinished business;
8. New business;
9. Forum for Members' questions/comments; and
10. Adjournment.