

Proposal to Amend Craneridge Association By-Laws

May, 11 2019

Vote to take place at the Annual Meeting on Saturday, May 11, 2019 10:00 am @ Pool Shelter. If you can't be there in person, the Proxy on page 3 can let you vote.

Current By-Law

Article 8, Section 13.04 Quorum: *The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of all Members shall constitute a quorum for any action governed by these By-Laws. If any meeting of Members cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present in person or by proxy. The quorum required in each reconvened meeting shall be one-half (1/2) of the quorum required for the previous meeting. The act of two-thirds (2/3) of the Members present at a meeting at which a quorum was present shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Articles of Incorporation of the Association, the Declaration or these By-Laws.*

Proposed change the by-law referenced above: (proposed changes reflected in BOLD print)

Article 8, Section 13.04 Quorum: *The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, **one-fifth (1/5)** of the votes of all Members shall constitute a quorum for any action governed by these By-Laws. If any meeting of Members cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called, **in order to attempt to reach a quorum present in person or by proxy. The quorum required in this reconvened meeting shall be one-half (1/2) of the quorum required for the previous meeting. If a quorum is not reached in the reconvened meeting, the process outlined in this Article and Section may be repeated, but must return to the original quorum threshold starting at one-fifth once again, followed by another reconvened meeting at one-half (1/2) of the required quorum of the first meeting.***

The act of two-thirds (2/3) of the Members present at a meeting at which a quorum was present shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Articles of Incorporation of the Association, the Declaration or these By-Laws.

Rationale for Proposed Change to current by-law:

Currently, the threshold to reach a quorum for a meeting to vote for changes to our By-Laws is 10% of all lot holders (one vote per lot). A quorum is the number of entitled lot holders who must be present (in person or proxy) in order for any vote to take place. Currently, and assuming 180 total lots, 18 members present would reach a quorum. This is concerning as this means that 12 (which is 2/3 of those 18 members voting in favor) - of a potential total of 180, could vote to change a foundational document of our community association.

If quorum cannot be reached on the specified date, the vote must be deferred until a quorum can be met. The current by-law specifies the resulting quorum thresholds for subsequent meetings in order to reach the quorum specified for that specific meeting. The current thresholds reduce the needed quorum threshold by 50% for each subsequent meeting, which means by the second meeting, the quorum would be only 9 members, with only 6 needed to pass an action proposal.

(Once a quorum has been met for the specified meeting, the members voting to change the by-laws as proposed must be two-thirds (2/3) of the members present at that meeting.)

Our current threshold is but a small representative pool of our membership. This miniscule threshold has been noted as one of concern by our Association attorney. The BOD has reviewed and discussed other similar HOA practices and documents. The challenge for most HOA is finding a quorum threshold that attempts to reflect involvement by a representative amount of members, while also attempting to make achieving a quorum at all reasonably possible. Setting the right quorum lies in finding a sweet spot for your unique HOA, as it is difficult for most HOA to encourage members to attend meetings.

While the proposed amendment makes changes to the by-laws slightly more difficult, the 20% threshold and the subsequent reduced quorum requirement to 10% provides us with one more chance to seek the engagement of a larger number of our members when we consider making changes to the by-laws. A reminder that members eligible to vote can do so in person or by proxy on the specified date of the meeting.

(FOR EXAMPLE ONLY) Attaching rough numbers to the process might look something like this:

The proposed change to this by-law applied to an example would look like this:

If Craneridge has 180 lots (or members, one vote per lot) the newly proposed initial threshold for a quorum to allow voting to take place will be 36 members/votes. If 36 members are present or otherwise eligible to vote on a proposed by-law change, 24 of those 36 members would need to vote in favor of the by-law change for the amendment to be successful.

If a quorum is not met in the first attempt, the meeting and by-law change may be reconvened. For the reconvened meeting, the quorum threshold would be lowered to 18 members. If 18 members are present or otherwise eligible to vote (proxy or absentee), 12 members would need to vote in favor to pass proposal. This is a small, but important change that attempts to build in one more chance than currently provided to encourage more participation in decision-making by our HOA membership.

PROXY FORM

for the

CRANERIDGE ANNUAL MEETING

on Saturday, May 11, 2019 @ 10:00 am

Please note that in order to proxy, you must be a member of good standing of Craneridge Homeowners Association.

I, _____ being an owner of LOT # _____, part of Craneridge Association, Inc., do hereby constitute and appoint _____ (member of good standing) as my proxy to attend all the meetings of the shareholders of said Association to be held between the date hereof and **Saturday, May 11, 2019** or any continuation or adjournment thereof, with full power to vote and act for me and in my name, place and stead, in the same manner, to the same extent and with the same effect that I might were I personally present thereat, giving said _____ (Association member) full power of substitution, and I hereby revoke any other proxy heretofore given by me.

Date: _____(mm/dd/yyyy)

Lot # _____

Lot Owner (print name) _____

Signature (required to be Valid) Owner: _____

Delivery of Proxy Methods: Give to designee to bring to the meeting <or> the following delivery methods listed below must ensure that we receive the proxy on or before May 10, 2019 to allow time for processing:

1. You can drop the form into the Executive Secretary box at the Craneridge Mail Center.
2. Mail to: Kaila Hager, P.O. Box 77 Glenwood, New York 14069
3. SCAN the signed proxy as a PDF file and e-mail as an attachment to:
kailarwood11@gmail.com