

From: Chairman, Hickory Woods Bylaws Committee

To: Board of Directors, Hickory Woods Home Owner's Association

Subject: Report on Proceedings of the Hickory Woods Bylaws Committee

As you know the Hickory Woods Bylaws Committee was formed to revise our bylaws in order to bring them into compliance with revisions to state laws encompassed in Chapter 356-B, Condominium Act, which were adopted effective August 1, 2016.

I would like to take this opportunity to thank the following members of the committee who contributed to this effort: Philip Lee, Bob Medeiros, Pat Pannese, Liz Lannigan - as board representative, and Brian Wells – as board representative.

The committee thoroughly reviewed the Condominium Act, our declaration and our bylaws. The committee then drafted changes that would bring our bylaws into compliance with the revised state law and generally clean them up by removing references to the developer and removing remnants of the “cut and paste” process used by the developer to produce the document. This draft was then reviewed by legal counsel who specializes in New Hampshire condominium law. The attached copy of bylaws encompasses agreed upon changes. These changes should be presented as a unified package to unit owners of Hickory Woods for their approval.

Two other critically important issues, which do not fall in the categories of state mandated or “clean up”, came to our attention while conducting this review. These issues are:

1. The unrealistically high quorum requirement for annual or special meetings of unit owners. It is now set at 2/3 of all unit owners of record.
2. The unrealistically high voting standard for unit owners approving even minor motions at annual or special meetings. Currently a motion requires 2/3 of all unit owners of record for passage.

Both of these requirements have the practical effect of substantially diminishing unit owner's input into the running and management of the Association. If you cannot meet the quorum requirement, you cannot even have a legally recognized meeting at which owners could express their concerns and vote. And if you need 2/3 of all unit owners of record to approve a motion, a small number of owners either abstaining or voting against can scuttle any proposal.

Regarding the issue of the quorum requirement, it is recommend that the Board present to unit owners a separate proposal to amend Section 2.9 of the Bylaws by reducing the requirement to 33 1/3% of unit owners. In relation to this recommendation the following facts should be noted:

- The Condominium Law essentially recommends the quorum for an HOA of our size be no more than 33 1/3%. (See 356-B:38 Quorums)

- On two separate occasions legal counsel has advised we should make it a top priority to reduce the requirement, possibly to as low as 25%.
- Most HOA's in the surrounding area already have their quorums set at 33 1/3% and, in spite of this, still have difficulty in meeting their quorum requirements.
- At our last annual meeting we barely met the quorum requirement.

Regarding the issue of the unrealistically high voting standard for unit owners approving even minor motions at annual or special meetings it is recommended that the Board present to unit owners a separate proposal to amend Section 2.2 of the Bylaws by including a statement to the effect: "Except where a greater number is required by the Condominium Act, the Declaration, or these Bylaws, a majority of unit owners present at a meeting, in person or by proxy, is required to adopt decisions at any meeting of the Association." (Note: this will in no way effect voting standards on other issues such as Bylaw Amendments or budgets.)

Given the importance and urgency of these issues, it is recommended that both of the above proposed bylaw changes be presented to unit owners for their vote at the same special meeting now scheduled for October 17, 2017. It is further recommended that the Board make it clear to unit owners that the reason for these changes are to increase unit owner influence and input into the running and management of the Association.

Committee members will be available to render any assistance that may be required. Also, for further insight into these recommendations the Board may want to review the Bylaws Committee meeting minutes of 7/25/17. A timeline of actions toward implementation was developed by Liz Lannigan and is also attached.

Sincerely,

Allan Putnam
Chairman, Hickory Woods Bylaws Committee