

Operating Requirement Overview November, 2006

To assist in the day-to-day operation of the Bayview Estates Homeowners Association (BEHA), this document provides an overview of the operating requirements established in the covenants and by-laws.

We are required to have an operating association. We cannot simply walk away from the common properties. The requirement for the association is established in the covenants. To change the covenants, a 100% approval from all eligible votes is required. The first real opportunity to eliminate or modify the covenants is August 15, 2025.

In the by-laws it is indicated that an Act of the Membership requires a 50% approval of a meeting of quorum, and a Budget requires a majority 50% approval. So, when is a vote considered to be an Act? When is a vote considered to be a Budget approval?

- Act - Action that does not impact the bylaws, board election, or increase budgets. An example of an act is the vote on whether we will allow Woodlands of Fulton homeowners to use our lake access. The agreement does not impact our covenants or bylaws and does not increase any maintenance or operating costs. In fact, approval of the agreement provides an increased revenue stream to BEHA and provides financial assistance in maintaining the walkway.
- Budget Approval – Action that establishes the association's spending guidelines and determines the assessment for the fiscal year. Budgets are established for operation, maintenance, and betterment projects. Once a budget is established, then it is a board action to determine the specifics of how the funds are spent. This is not to say the board does not have restrictions:

- The board has the responsibility to make best efforts to remain within the budget for each line item approved in the annual budget. For example, if the budget for mowing is \$1,000, the board has responsibility to make a

Voting Percentage Requirements Established in the By Laws Bayview Estates Homeowners Association

Definitions

- Votes entitled to be cast are 130 (2 votes for each lot, total of 65 lots).
- Member meeting quorum is 25% of votes entitled to be cast, in person or by proxy (at least 33 of the votes).

Voting Percentage Requirements

- By Law changes require 2/3rd of all votes entitled to be cast (at least 87 votes).
- Budget approval requires 50% of votes of a meeting quorum.
- Act approval requires 1/2 of votes of a meeting quorum.
- Board of Director approval requires 50% of votes of a meeting quorum.
- Board of Director removal requires 2/3rd of all votes entitled to be cast (at least 87 votes).

reasonable effort to ensure that the budget is not exceeded. However, if the grass grows quicker than anticipated, the board has the authority to exceed the budget.

- The board cannot approve the construction of “real” property on BEHA outlots. For example the board can authorize purchase of trees or picnic tables, but cannot authorize the addition of walkway or playground equipment. Construction of new “real” property requires “budget” approval of the membership. Budget approval is required even if the property is donated. The reason is that the addition of the real property impacts (increases) operating and maintenance budgets.
- The board can approve the addition or improvements for existing “real” property. For example, the board can approve (within budget constraints) the addition of ramps on the walkway.
- The membership has established various funds in the budget. For example we have established funds for lake access and the park. With the exception of emergencies, the board cannot use these funds for other purposes. In other words, the board cannot use the lake access funds to purchase playground equipment, construct a walkway through the park, extend the length of the entrance sign or other non-lake access projects.

There are no standing committees, nor is the board required to establish any committees. It is at the board's discretion whether or not to form a committee and how to appoint members. The committee reports to the board.

The board consists of 3 to 7 members that are in good standing. Board members are elected to a 3-year term (see side-bar for details). There are no requirements or procedures in the bylaws that outline how a member gets their name on a ballot. A board quorum has the authority to appoint any member in good standing to fill any open positions. The board selects the number of members. It is encouraged that we maintain a board of 7, and if possible not have board members from the same household (This is not a requirement, just a suggested operating practice).

The board has a responsibility to maintain association records, membership lists, and other informational material. A web site, with pdf's of updated budgets, bylaws, covenants, etc would make this task simple.

The board has authority and responsibility to enforce the covenants. The board does not have authority or responsibility to resolve or mediate disagreements among BEHA members. For example, the board does not have the authority or responsibility to ask that a stereo volume or bass to be turned down.