

ISSUE #1

Section 1: [Article IV, Section 7] Action by Written Ballot Without Meeting

Any action required or permitted to be taken at an annual or special meeting of the Members may be approved by written or electronic ballot without a meeting if approved by a majority of the ballots actually returned within seven (7) days, even if fewer than the number of Members required for a quorum return ballots.

MARKUP #1 ->

Section 2: [Article VI, Section 4] Indemnification of Directors for Intentional Misconduct

The Association shall indemnify and advance expenses to every Director and Officer against any liability incurred in connection with any proceeding arising from their service to the Association, including liability for receipt of an improper financial benefit or intentional infliction of harm on the Association or its Members.

Section 3: [Article XI, Section 3] Financial Statements Upon Member Request

Individual Members shall not have the right to demand or receive copies of the Association's annual balance sheet or statement of operations unless authorized by a resolution of the Board of Directors.

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Article IV, Section 7 (p. 1): Validating member action by written ballot when total ballots cast fall below the meeting quorum threshold violates Iowa Code § 504.708.

Statutory / Legal Reference: Iowa Code § 504.708

Statutory Comparison: Under Iowa Code § 504.708(3), approval by written ballot pursuant to that section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting.

CURRENT WORDING IN DOCUMENT:

[Article IV, Section 7] Action by Written Ballot Without Meeting - Any action required or permitted to be taken at an annual or special meeting of the Members may be approved by written or electronic ballot without a meeting if approved by a majority of the ballots actually returned within seven (7) days, even if fewer than the number of Members required for a quorum return ballots.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Article IV, Section 7 ([Article IV, Section 7] Action by Written Ballot Without Meeting - Any action required or permitted to be taken at an annual or special meeting of the Members may be approved by written or electronic ballot without a meeting if approved by a majority of the ballots actually returned within seven (7) days, even if fewer than the number of Members required for a quorum return ballots.) to conform with Iowa Code § 504.708 and the manual attorney audit recommendations for Lake Panorama Association, Inc..