

MEMORANDUM

To: Tim Purnell

From: Carrie

Re: Arrowood HOA, Questions regarding the Quorum requirement for Board of Directors

Date: July 26, 2006

Question Presented

If we have the required quorum at the beginning of our meeting as required by our covenants, then if one or two Board members recuse themselves on a voting issue, does the quorum still apply?

Short Answer

The answer depends upon the number of total Board Members present. If a majority of the total members of the Board of Directors is present (at least 4), then the requirement of a quorum of the Board is met. For voting purposes, a majority of those Board members *present* at the meeting is required to make a valid decision (so at least 3). Therefore, if there are a majority of Board members at a meeting, a decision made by the Directors will only have to be supported by a majority of that majority present.

Discussion

Quorums are discussed at two places in the Bylaws for the Arrowood HOA. The section dealing with a quorum for the Board of Directors Meetings is found in Article VI Section 3. This states that Aa majority of the number of Directors shall constitute a quorum for the transaction of business.@ So if a majority of the total number of Directors are present at a meeting, then the quorum requirement is met. In order for a decision to be regarded as an act of the Board, then it must be made by Aa majority of the Directors *present* at a duly held meeting at which a quorum is present.@ Therefore, if a majority of those Directors that are present at a meeting where there is a majority of the *total* number of Board members present, then the decision meets the Bylaw requirements. As the Board of Directors should under Article IV Section 1 of the Bylaws have seven members, in order for a majority to be present at the meeting there must be at least four (4) Directors present. Of that four, three (3) must vote.