

Charter committee Proposed changes to Bylaws

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to Dan, Helmie, Monica, Ingrid, Peter, George, Beryl, Lynda

Hi All

Attached is the report from the Bylaws committee for proposed changes to the bylaws at the extraordinary meeting in November. The report chart is divided into 2 sections,

- 1) the changes that all or a majority of Charter committee members are in agreement need to be made and
- 2) additional articles of the Bylaws that were reviewed and discussed but for a number of reasons (including minority opinions) are not recommended for change at this time.

Most of the proposed changes are noncontroversial and will result in clarity and an improved process.

There are 3 controversial issues:

- a) fulltime residence in Akumal
- b) honorary membership and conversion to full membership. The February amendments only apply for one year. The committee agreed that honorary memberships should revert to non-payment non-voting status. But we need to have a solution on the appropriateness of the conversion issue and accompanying participation rights.
- c) membership entitlement is essentially unchanged but is to be clarified. Membership where an owner has more than one separate residence on a property (eg a casita) that is not operated/owned as a separate residence will be eliminated. This would affect Lisa Canter and Arlene Pargot both of whom have no issue with being disenfranchised.

I know that Lynda will only attend part of the board meeting so I would appreciate her feedback (and anyone else who has time constraints) in advance if they cannot participate in the discussion.

Report to the Vecinos Board from Charter Committee – for approval Aug 16, 2022

Proposed Bylaw changes

| Article | Proposed change or addition |
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| Article 2 | Change Solidaridad to Tulum |
| <p>Article 9 Membership and voting</p> <p>2 step membership process</p> <p>When does membership take effect and what is required also Article 2678 Civil code</p> <p>Honorary membership</p> <p>Converted membership</p> <p>Voting</p> <p>Conflict of interest</p> | <p>Amendment in February 2022 is subject to review. Proposal is to clarify that membership is linked to ownership of a property in Akumal Norte.</p> <p>Who may become member</p> <ul style="list-style-type: none"> • the owner/trustee of <u>a property</u> that is a house, apartment, condo, business or lot, that is a separate residence and is recorded as a separate property on the public property register/catastro or is the subject of a sale agreement or other legal document evidencing ownership of the property and showing the owner’s/trustee’s name. This includes one or more properties that are not formally separated as a condominium regimen but are operated as separate residences <p>Where a multiowner property has more than one member, the property owners must decide who is the voting member</p> <p>Membership process must have separate application, approval, and payment and signing agreement</p> <ul style="list-style-type: none"> • membership process: application and submission of documents to and certification by board member, membership approval by board, payment of membership fee and signing membership agreement document • upon completion of the process the membership of the association becomes <u>immediate</u> • record ownership documents and member’s personal/fiscal identification <p>Amendment in February 2022 is subject to review. Proposal is that “honorary members” will be non-voting, non-paying membership fee or dues and are appointed by the board by invitation only.</p> <p>Amendment in February 2022 is subject to review. Lawyer confirms conversion provision is valid, however there is support for deleting this provision as it is in conflict with Vecinos originally stated focus of being a property owners association.</p> <p>Voting – each full member has one vote. Corporations or family groups that have more than one property may have a different member representing each property, each of whom has one vote.</p> <p>A member may not vote on a subject that he or his spouse or close family have</p> |

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| <p>Whether membership is transferable (does Art 2684 code civil apply??)</p> | <p>an interest in/will benefit from</p> <p>Membership may pass to spouse/civil partner on death provided that required documents are presented for review.</p> <p>On the sale of a property, the associated Membership (if applicable) may be transferred to the new owner at no cost provided that the required documents are presented for review</p> |
| <p>New article Founding members</p> | <p>Create Founding Life members category (Henning and Jamie) in recognition of their work creating the Association, giving the right to speak at all meetings but no vote and no dues (donations only)</p> |
| <p>New article Privacy</p> | <p>Privacy of protected information (no sensitive information is recorded)</p> <ul style="list-style-type: none"> • only keep what is mandatory, new policy on website and referred to in all documents • information only accessible by board members and the Comisario, and restricted to what is necessary for operations • some info may be provided to committee members as required • election candidates to be provided with members basic info (name and email) • board, Comisario, committee members and election candidates to sign privacy policy document • access to personal information stored on/through website will not be shared with members other than for operational purposes |
| <p>Article 10 obligations of membership</p> | <p>Add</p> <ul style="list-style-type: none"> • to pay annual dues • to ensure contact info is up to date • to inform association when property is sold |
| <p>New articles suspension or termination of voting rights and reinstatement (see also article 10 and 23)</p> | <p>Suspension of voting rights</p> <ul style="list-style-type: none"> • if annual dues not paid within 12 months before meeting • if no participation in meetings for 3 years • if failure to comply with membership agreement <p>Termination</p> <ul style="list-style-type: none"> • if no longer eligible to be a full member (ie sold property) membership is automatically terminated but on request to board may continue as non-voting member and be reinstated upon acquiring another property (without paying an additional membership fee). |
| <p>New Articles on Appointment of Director of Elections</p> | <ul style="list-style-type: none"> • the board to appoint a Vecinos member who is not standing for election or re-election to be the Director of Elections. • Director of Elections to choose 2 other Vecinos members (who are not standing for election or re-election) to form nomination committee. • Director to be responsible for all actions leading up to an election |

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| | <ul style="list-style-type: none"> • Timing of election calls and election procedure to be set by Director pursuant to rules set out in the Election Policy Handbook, which will be an annex to the bylaws and may be amended by the board • Committee to review candidates applications and report to the membership in accordance with Election Policy handbook, <p>The Director of Elections shall not solicit proxies and will, whenever possible, not accept being named as a proxyholder to avoid appearance of conflict</p> |
| New articles on nomination for election to board of directors | <p>Preparation for annual meeting (to be detailed in Election policy handbook)</p> <ul style="list-style-type: none"> • call for nominations for candidates for election at least 2 months before meeting • review of candidates etc. to determine they meet requirements (e.g that they meet Mexican legal requirements <u>and that they have been a member for a minimum of a year</u>) • brief factual candidates profiles to be posted on website and in Akumal Now and attached to formal meeting invitation |
| New article - conduct of Election at Annual meeting | <p><u>Add</u> Board elections to be conducted in accordance with practices and procedures in Election handbook approved by the board and published on website</p> |
| New article – majority of members demanding a meeting | <p><i>To the extent that this is a standard provision in Mexico – whatever is the standard percentage to request that a meeting be held (51%?)</i></p> |
| New article – virtual meeting | <p><u>Add</u></p> <ul style="list-style-type: none"> • <u>authority</u> to hold mixed (face-to-face and virtual) meetings and virtual only meetings • the requirements for participation, identification, and verification to ensure that the person attending is the voting member • requirement for preregistration whenever possible |
| Article 13 – notice of meeting | <p>Delete “with acknowledgement required”</p> |
| Article 17 Board | <p>Revise paragraph “majority to be fulltime residents” to include “whenever possible” (see also No change section below)</p> <p>The President and Vice president must be full-time residents of Akumal during the period of their appointment and the majority of the board members must <u>whenever possible</u> be full time residents of Akumal. (note we have not changed to Akumal Norte but could consider adding the adjacent areas of the Municipality of Solidaridad that were formerly part of Akumal)</p> |
| When does board membership begin | <p>Currently Board members “shall hold office for 2 years which shall be counted from the date of appointment.” In order to add a transition period, we need to clarify that “date of appointment” is different from date of election</p> |

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| Powers of Board | <p>meeting. A transition period of 6 weeks is desirable.</p> <p><u>Add</u> specific powers of the board (currently only President.VP and Secretary have specific powers) – Without limiting the foregoing, in addition to specific powers of President Vice-President and Secretary, the board has the following powers:</p> <ul style="list-style-type: none"> • to approve membership application and admit member when related ownership documents have been reviewed and approved by a board member, • convert honorary member to full members, • appoint auxiliary collaborators and delegate specific matters to them • amend the Election Policy and any other Board handbooks |
| Article 18 | <p><u>Delete</u> “sent by registered mail or ordinary letter with acknowledgement of receipt” <u>add</u> reference to “email, zoom, whatsapp or other communication used by board members”</p> |
| Article 21 – auxilliary collaborators | <p><u>Expand</u> to allow “monitoring or assistance on any matter delegated by the board “</p> |

| Issues considered but no amendment proposed | |
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| Article 9 | <ul style="list-style-type: none"> • To limit membership to one person one lot • To limit membership to one member/vote if more than one contiguous property • To limit membership to a single representative for a family or corporate ownership |
| Article 9 honorary members | <ul style="list-style-type: none"> • Whether conversion of honorary member to full members should continue. • Should converted honorary members have full rights or limited involvement. • Should they be able to be elected to the board. • Should they be allowed to vote on budget and financial issues |

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| | <ul style="list-style-type: none"> • Should there be a limit on number of honorary and or converted members |
| New classes of membership | <ul style="list-style-type: none"> • Separate classes of membership could be added, some would require a Bylaw change others, such as “Friends of Vecinos,” could be created by the Board. <u>No action has been proposed at this time, but in response to the government committee’s perceived need for greater community involvement we may wish to re-consider</u> |
| Article 13 Notice of meeting | <ul style="list-style-type: none"> • consideration to be given when membership management database system is adopted to be able to track whether notice of meeting email has been received and opened • requirement to preregister for meeting |
| Article 17 | <ul style="list-style-type: none"> • Residence of President and Vice president unchanged • and “fulltime” residence undefined. Fulltime may be defined in Election Policy manual as more than 50% of the year |
| Grandfathering of members who are disenfranchised | <p>Grandfathering of previously acquired rights does not appear to be a standard for legislative changes in Mexico.</p> <p>Two individuals who have become members under broader definition of residence/property will lose their membership. Their membership fee will be reimbursed or credited to their partner’s annual dues</p> |
| Article 6 - foreigners | Originally proposed for deletion but new legal advice is that it must remain. |