

## How We are Organized in Our HOA

### A Simplified and Abridged Form of Our Canoa Hills Townhomes Bylaws

This document seeks to provide a sensible and accurate rendering of the Bylaws without the "legalese", detail, and specificity that the formal Bylaws contain. It is meant to be compliant and congruent with the formal Bylaws, however, the formal document always has the last word, and any interpretation of this document that is at odds with the formal document is not valid. *Italicized* print indicates a direct quote of the formal document. To access the full formal document, go to our website: <https://www.canoahillstownhomes.org/> and scroll down on the opening page to "Governing Documents". Federal and state law supersede the CC&Rs.

#### Article I: Introduction

Canoa Hills Townhomes Inc. is an Arizona nonprofit Corporation. Our Bylaws were legally reviewed, modified to comply with existing law, and approved by the membership in March of 2022.

#### Article II: Name, Principal Office, and Definitions

Our corporate name is Canoa Hills Townhomes Inc. We have four "Community Documents". The Declaration of establishment of Conditions, Covenants and Restrictions (aka: "Declarations" or "CC&Rs"), the Articles of Incorporation (aka: "Articles"), the Bylaws and the Rules (best practices adopted by the Board).

#### Article III: Membership

Each owner of a lot is a member of the Association. When a property is sold, membership automatically transfers to the new owner(s). The rights and privileges of membership--voting, holding office, access to the Common Areas--are subject to the member being current in annual dues and any special assessments of the Association.

#### Article IV: Meetings of Members

The Annual Meeting of Members will occur in March. Special Meetings may be called with a petition from 25% of the Members along with a statement of why the meeting is to be held. The only item that can be considered at any Special Meeting is the purpose indicated when the meeting is called. Notice of any meeting of the Members will be sent out 10-50 days prior to the meeting, and will include the time, date, and place of the meeting as well as the purpose of the meeting. Quorum is established by counting both Members and absentee ballots present, representing 20% or more of the votes in the HOA. The President typically presides over a meeting of Members.

#### Article V: Voting

Since a Lot may be owned by more than one member, but each Lot creates only one vote, it falls to those members to determine who should vote. *Any action that the Association Members may take at any annual or special meeting may be taken without a meeting if the Association*

*delivers a written ballot to every Member entitled to vote on the matter.* Provisions exist in the formal document for Electronic Voting. All voting is supervised by the Board. Members must be in good standing to vote. Proxies may not vote.

#### Article VI: Board of Directors

We have a five member Board. *The candidates receiving the highest number of votes up to the number of Directors needed, shall be deemed to be elected. ...If the number of candidates for open Directors' positions is equal to or less than the number of openings, no election will be held. The Board will declare the candidates elected by acclamation.* Normally, a Director serves for a three year term.

*Regular meetings of the Board will be held at least four times a year ...if emergency circumstances require action by the Board before notice can be given. The minutes of the emergency meeting shall state the reason necessitating the emergency meeting. The minutes of the emergency meeting shall be read and approved at the next regularly scheduled meeting of the Board.*

Special Meetings of the Board can be called by the President or by three Directors. The only items to be considered are those for which the meeting is called. Each Director must be given three days' notice of the meeting. The Members must be given 48 hours' notice. All meetings of the Directors are subject to the Arizona Open Meeting law. There are specific exceptions to this requirement listed in the formal Bylaws. Directors may attend by phone or video.

If required by their duties, the Board may act without a meeting if all the Board members consent, in writing, to the action. Report of any such action will be presented at the next regular meeting.

Directors may resign at any time. A Director can be removed by either the Board, or the Members, using processes detailed in the formal Bylaws. When a vacancy exists in the Board, the remaining Directors shall appoint a Member in good standing to the balance of the term of the vacant Director's position.

All officials of the Association, both Directors and other officers, shall be indemnified.

*Robert's Rules of Order Revised will generally be the Association's parliamentary guide.*

#### **Article VII: Powers and Duties of the Board of Directors**

*The Board has the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of the Community Documents and applicable law, and to do and perform any and all acts which may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association.*

The Board is empowered to:

- make rules for the use of the Common Areas and for Members when in the Common Areas.
- establish, assess and collect assessments.
- borrow money on behalf of the Association.
- hire and fire all agents or employees of the Association.

The Board is obligated to:

- keep a record of all of its actions and report to the Members at the Annual Meeting.
- supervise all agents, officers, and employees of the Association.
- define and collect all assessments.
- maintain insurance coverage of Association property.
- *Cause officers or employees having fiscal responsibilities to be bonded.*
- *Cause the Common Areas to be maintained.*

This article closes with stipulations about the hiring of professional management and the purchase of fidelity bonds for all directors, officers, and employees.

#### **Article VIII: Officers**

*The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The President and Vice President must be Directors. At the first Board meeting held after the Annual Meeting each year, the Directors shall elect the officers of the Association, who shall serve during that calendar year and until their successors are chosen. Officers are not prohibited from succeeding themselves in office, and one person may hold more than one office, except President and Treasurer.*

The specific duties of each officer are further defined in the formal document.

Officers are not compensated for their service.

*The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time-to-time, determine.*

#### **Article IX: Committees**

The Association has three Standing Committees: Maintenance, Audit, and Architectural. The purpose and domain of each is further defined in the formal document.

*Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors. ...The Board of Directors may create such other committees as it deems desirable.*

#### **Article X: Procedure for Amendment**

*These Bylaws may be amended by the President and Secretary of the Association certifying that such amendment has been approved by two-thirds of the votes submitted.*

#### **Article XI: General Provisions**

In the case of any conflict between our Community Documents, Articles trump Bylaws and the CC&Rs trump Bylaws. Rules must always be consistent with the CC&Rs they seek to explain, detail or define.

*The fiscal year of the Association shall begin on the 1st day of January and end on the last day of December of every year.*

The books and records of the Association shall be furnished to any Member using the approved procedures.