

## HOA Governance Documents Summary

**Articles of Incorporation** –In Colorado, under the Colorado Nonprofit Corporation Act (Colorado Revised Statutes, Title 7, Articles 20 – 29), HOA’s must be incorporated.

**What:** Articles of Incorporation outline broadly the association’s purpose, its authority/powers (including structure of the Executive Board, voting rights and amendment provisions), and the type of corporation.

**Authored by:** The provisions contained in the Articles, which are drafted and submitted to the State by the Developer, tend to be boiler-plate and relatively non-controversial.

**Example:** *Members and Voting Rights: “Each Lot and each Unit in the Common Interest Community shall be entitled to one (1) vote in the Master Association, i.e., one (1) vote per Owner/Member. Occupants of Lots or Units, or of Caretaker or Accessory Dwelling Units, shall not have voting rights. If the title to a Lot or Unit is owned by more than one (1) Person, such persons shall collectively vote their interest as a single vote.” (Article VII, Item 2)*

**Amending:** “The Articles of Incorporation can be amended from time to time in the manner set forth in the Colorado Nonprofit Corporation Act. Such amendments should be consistent with the terms and provisions of the Declaration. The nonprofit corporation shall provide notice of any meeting at which an amendment is to be voted upon pursuant to Section 7.128.203 of the Colorado Nonprofit Corporation Act. The amendments shall be approved by a majority of the Directors in office at the time the amendment is adopted.” *(Article XIII, Item 1, Articles of Incorporation of River Valley Ranch Master Association and Colorado Nonprofit Corporation Act, Section 7.130.102)*

**Hierarchy:** “In the event of a conflict between the terms and provisions of these Articles and the terms and provisions of the Declaration, the terms and provisions of the Declaration shall govern and control.” *(Article XIII, Item 2, Articles of Incorporation of River Valley Ranch Master Association)*

“In the event of a conflict between the terms and provisions of these Articles and the terms and provisions of the Bylaws adopted by the Executive Board, the terms and provisions of the Articles shall govern and control.” *(Article XIII, Item 3, Articles of Incorporation of River Valley Ranch Master Association)*

**Declaration of Covenants, Conditions and Restrictions** – The ‘CC&Rs’ or ‘Declaration’ as it is commonly called elaborates on the HOA powers and administrative authority granted in the Articles of Incorporation.

**What:** These powers typically include the ability to collect money, enforce the HOA’s rules and manage the community’s affairs. The Declaration also lists restrictions on individual’s actions, sets community standards and describes the association’s maintenance duties.

**Authored by:** The CC&Rs are typically written by the individual or company who builds a new housing development as the primary governance and regulatory component of the Home Owner's Association (HOA).

**Example:** *No Hazardous or Unsafe Activities:* "No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Common Interest Community which is or might be unsafe or hazardous to any Person or property." **(Article 2, General Restrictions Applicable to the Common Interest Community, Item 3.10)**

**Amending** "...this Master Declaration and any Supplemental Declarations (including the Plat and any Supplemental Plats) may be amended only by the vote or agreement of Lot and Unit Owners to which more than fifty percent (50%) of the votes in the Master Association are allocated." **(First Amendment to the Amended and Restated Master Declaration of Protective Covenants for River Valley Ranch, Page 3, Item 7)** **Note: Read the First Amendment, Item 7 for exceptions to this stipulation.**

**Hierarchy:** "In the event of a conflict between the terms and provisions of this Declaration and the terms and provisions of the Articles of Incorporation, the terms and provisions of the Declaration shall govern and control." **(Article XIII, Item 2, Articles of Incorporation of River Valley Ranch Master Association)**

**Bylaws** - The Bylaws define and describe the operating procedures for governing of the corporation.

**What:** Bylaws will address rules and processes like how many people are on the board, what constitutes a quorum, how often various board and community meetings occur, how elections are conducted, notices to homeowners, and assessments.

**Authored by:** Bylaws are typically written by the individual or company who builds a new housing development as a governance and regulatory component of the Home Owner's Association.

**Example:** *Regular Meetings:* "Regular meetings of the Executive Board shall be held at such times, place and hour as may be fixed by the Board. The Board may set a schedule of regular meetings by resolution and no further notice is necessary to constitute such scheduled regular meetings." **(Article 6, Section 6.1, Meetings of Directors)**

**Amending:** "These Bylaws may be amended by a majority of a quorum of the Executive Board at a regular or special meeting of the Executive Board, or by the vote of Members, holding at least 67 percent of the votes in the Master Association at a meeting duly noticed for such purpose." **(RVRMA Bylaws, Article 11.1)**

**Hierarchy:** "In the case of any conflicts between the Master Declaration and these Bylaws or the Articles of Incorporation, the terms of the Master Declaration shall control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation shall control **(Article XIII, Item 3, Amended and Restated Bylaws of River Valley Ranch Master Association)**

**Design Guidelines** - The rules, procedures, standards, guidelines and requirements that ensure orderly and attractive development of the Common Interest Community.

**What:** The rules, procedures, standards, guidelines and requirements, including without limitation architectural, design and development standards and guidelines, which shall govern the review and approval or disapproval of proposed Improvements within the Common Interest Community and other matters provided for therein (The Master Design Guidelines).

**Authored by:** Design Review Committee

**Example:** *Building Height:* “Generally, the maximum height limit established by Town of Carbondale Zoning Regulations is 27 feet to the mid-point of the roof’s pitch, measured from a fixed point (such as the street in front of the home), sufficient for a two story building with pitched roof. Specific requirements of the Town should be obtained by individual homesite Owner.” **(Section 4, Item 4.5, Custom Homes, Building Height)**

**Amending:** “The Design Review Committee may make such amendments and additions to the Master Design Guidelines as the Committee deems necessary or appropriate from time to time to accomplish the purposes of (and as are not in conflict with) this Master Declaration and of any pertinent Supplemental Declaration and to ensure the orderly and attractive development of the Common Interest Community. Each proposed amendment shall be subject to ratification by the Executive Board.” **(Third Amendment to the Amended and Restated Master Declaration of Protective Covenants, p 7, Item 19)**

**Hierarchy:** “In the event of any conflict between these Guidelines and other documents or authorities, the more restrictive shall govern and control.” **(Master Design Guidelines, Section 1, p 1, Purpose and Intent of Design Guidelines, Conflicts)**

**Resolutions** – Resolutions enact policies, procedures and other types of Board decisions.

**What:** There are generally four types of resolutions:

1. Policy resolutions – These resolutions affect owners’ rights and obligations. For example, standards for the use of common areas or a ‘member in good standing’ policy.
2. Procedural or Administrative resolutions – These are resolutions that address the internal operations of the community association, such as collection procedures, and purchasing/contract policies.
3. Special resolutions – These resolutions enact Board decisions that apply a policy or rule to an individual situation. For example, a decision about an alleged rule violation could constitute a special resolution.
4. General resolutions – These are resolutions which involve routine events like the adoption of the annual budget or approval of a contract.

**Authored by:** RVRMA Board Member, Counsel, or Management staff

**Example:** Reimbursement Assessment: “The Executive Board may levy against Owner or Owners a Reimbursement Assessment for purposes of...” (**Reimbursement Assessment Policy and Procedure**)

**Establishing or Amending a Policy/Procedure:** As per the *Procedure for Development, Adoption, and Amendment of Policies, Procedures and Rules* the Executive Board may develop, adopt and amend policies by (1) determining the source of the Association’s authority to make the proposed rule, (2) evaluating the need, scope, implications and enforceability of the rule, (3) providing at least 30 days’ notice for community comment prior to the meeting at which the Executive Board will take action, (4) obtaining a majority of affirmative from the Executive Board members, and (5) give notice of the duly adopted policy via at least two communication methods.

**Hierarchy:** In the case of any conflicts between a policy or procedure resolution and other HOA governance documents, the Master Declaration, Bylaws and/or the Articles of Incorporation shall control.

**Rules and Regulations** - Rules and regulations are intended to provide a framework within which people can enjoy the benefits of and live in harmony in a ‘community’ setting.

**What:** Specific purposes of rules and regulations can include:

1. Enforcing the community’s CC&Rs, Bylaws, and policies in a fair, diplomatic way.
2. Protecting, enhancing, and promoting the purposes of the association as stated in the legal documents.
3. Governing the use of the common areas and amenities, including rules for the use of facilities by owners, guests, and tenants.
4. Establishing architectural guidelines and controls for aesthetic value.

**Authored by:** RVRMA Management staff

**Example:** Swim and Tennis Facility Rules

**Establishing or Amending a Rule or Regulation:** Rules and Regulations are generally established, published, promoted, enforced, and amended by Association Management staff with direction from the Executive Board as needed.

**Hierarchy:** In the case of any conflicts between a rule or regulation and other HOA governance documents, the Master Declaration, Bylaws, the Articles of Incorporation, or a Board adopted policy or procedure shall control.