

# Overview of CCC Governing Documents

Membership Votes, Standing Committees, Operating Committees, Board Authority

This document is to be used as a reference guide based on the language in the CCC Governing Documents.

Any errors or omissions are superseded by the actual content of the Governing Documents.

# Corporate Law and MD HOA Code Overall Basis

## The Board of Directors

- The Board shall have the powers and duties necessary for the administration of the affairs of The Cove Creek Club, Inc. and for the operation and maintenance of the Community Properties including but not limited to the powers given to the Board in the Declaration of Covenants Articles of Incorporation, and the Bylaws
- The board of directors are the only elected officials of the club

# Board of Directors and Membership Authority

- Membership authority is granted where specifically stated in the governing documents providing many instances of voting rights given to the Membership
- Board of Directors have all authorities and responsibilities necessary to run the club, stated or not stated in the governing documents, except where that authority is specifically allocated to the Membership in the governing documents

# Membership Voting Authority

<b><u>Action to be Voted On</u></b>	<b><u>Required for Approval</u></b>	<b><u>Contained In:</u></b>
Elect Board of Directors	Most Votes	Bylaw 4.3
Approve Overall Budget	Majority of quorum	Bylaw 7.4
Approve Maintenance Budget Item over \$10k in Budget	Majority of quorum	Bylaw 7.4
Approve Capital Improvement item in Budget	Majority of quorum	Bylaw 7.4
Make Amendments to Bylaws	Majority of all Membership votes eligible to be cast (58)	Bylaw 8.1

Note: A quorum of the Membership is defined as at least 30% of all eligible votes to be cast (36). Bylaw 2.3

# Membership Voting Authority

<b><u>Action to be Voted On</u></b>	<b><u>Required for Approval</u></b>	<b><u>Contained In:</u></b>
Approve Special Assessment	Two-thirds of quorum	Bylaw 6.3
Dues increases over inflation rate	Two-thirds of quorum	Bylaw 6.2
Target Level of Maintenance Budget	Majority of quorum	Bylaw 7.4
Approve Distribution of Income of more than 5% of assessments to the Capital Improvement Reserve	Two-thirds of quorum	Bylaw 7.4
Outside use of community facilities	Two-thirds of a quorum	Bylaw 7.12.5

# Membership Voting Authority

<b><u>Action to be Voted On</u></b>	<b><u>Required for Approval</u></b>	<b><u>Contained In:</u></b>
Call for Special Membership Meeting	Petition of 30% of all votes eligible to be cast (35))	Bylaw 3.1
Removal of Directors	Majority of votes eligible to be cast (58)	Bylaw 4.5
Approve club debt greater than 50% of annual assessment income	Majority of votes eligible to be cast (58)	Bylaw 7.9
Subdivision, sale or transfer of community properties	Two-thirds of all eligible votes to be cast (77)	Bylaw 7.12

# Membership Voting Authority

<b><u>Action to be Voted On</u></b>	<b><u>Required for Approval</u></b>	<b><u>Contained In:</u></b>
Amend Articles of Inc except Article 9 and 12	55% of all votes eligible to be cast (64)	Articles of Inc. Article 11
Amend Article 9 and 12	75% of all votes eligible to be cast (87)	Articles of Inc. Article 11
Dissolve Corporation	75% of all votes eligible to be cast (86)	Articles of Inc. Article 9
Amend Covenants	Two-thirds of all eligible vote to be cast (77))	Covenants 7.1
Propose Amendments to Covenants	Petition of 25% of all eligible votes to be cast	Covenants 7.1

# Board Authority

- The Board, except as stated in the governing documents giving authority to the membership (previous slides), retains all authority to act in a fiducial manner on behalf of the club **whether specifically stated or not stated** in the governing documents.

# Standing Committees

- Standing Committees (5) are established by the Bylaws (7.1)
- Nomination, Election, ACC, Budget and Audit Committees
- Chairs may not be a Director or in the same family as a Director
- Reason: The Chairs of the Standing Committees become the Board of Directors in case all 5 Director positions are vacant at once and until elections are held
- Chairs are chosen by the Board
- Members chosen through mutual approval of the Board or Committee Chair

## Other (Operating) Committees: Bylaw 7.1

- Are created by the Board
- Serve at the discretion of the Board
- Chairs are appointed by the board
- Members are appointed through mutual approval of the committee chair and the board

# Club Records

Club records are available for review by all members. Bylaw 9.1

Many are on the club website and TownSq for immediate access

- All Governing Documents
- Org/Committee Charts
- Long Range Plan
- Budgets
- Minutes/Agendas
- Forms (ACC, Marina/Storage Contracts)
- Policies

# Records Not for General Member Review

- Executive session minutes and information
- Personnel records
- Sensitive litigation files and records protected by the attorney-client privilege
- Pending contracts
- Legal invoices
- Records likely to lead to identity theft
- Records likely to lead to fraud
- Records reasonably likely to compromise the privacy of an individual member
- Disciplinary actions, collection activities, or payment plans of other owners
- Personal information, including social security number, tax ID number, driver's license number, credit card account numbers, bank account number, and bank routing number
- Interior architectural plans for individual homes
- Private owner correspondence to the board (unless a letter is used as evidence in a disciplinary action against another owner, in which case the disciplined owner has a right to see it)
- Board packets and manager reports
- Management representation letters related to audits

# Summary

This document serves as a reference to current and future Board of Directors, Committees and Members. This document is to be used as a reference guide based on the language in the CCC Governing Documents.

Any errors or omissions are superseded by the actual content of the Governing Documents.