

July 19, 2018

MEMORANDUM TO : Robert Hoskins
Vice-President
Canal Run Homeowners Association, Inc.

FROM : Mark Hershfield
Chair, By-Laws Committee

SUBJECT : Report on Governing Document Changes

BACKGROUND

At the May 17, 2018 meeting of the Canal Run Homeowner's Association (HOA), the Board of Directors voted to establish a By-Laws Committee to review the governing documents to determine if any changes were necessary. Pursuant to Section 13.23 of the Declaration of Covenants, Conditions and Restrictions (Covenants), "A committee shall be established on a bi-annual basis from the adoption of this amendment in a manner consistent with Article III, Section 11 to review the by-laws and Declaration of Covenants, Conditions and Restrictions to ensure that they are consistent with technological changes and that they continue to further the interests of the community." The Covenants were revised on July 15, 2013. A review took place in August 2015, which recommended no action be taken. The Board asked me to conduct this review along with Board Member Alan Haga.¹

ASSESSMENT

The Committee thoroughly reviewed the governing documents. The Committee also looked at the previous review of the governing documents conducted in August 2015 and largely adopts those findings. A line-by-line evaluation found few required or even recommended changes outside of eliminating outdated provisions, provisions that have never been utilized and other minor typographical errors. Overall, as indicated by the tracked changes to the documents located in the Appendix, the governing documents have created a strong framework for the

¹ The review should have taken place in the summer of 2017, but because of an error the review is a year late. The next review should take place in the summer of 2019.

community and only minor changes are need to improve and strengthen the documents. While there are some changes that can be implemented quickly, even before the next annual meeting, not implementing the changes would not burden the community or derail the electoral process. The changes to the Covenants would enlarge codify existing practices and therefore are not necessary changes, but are changes to protect the progress made in the community.

RECOMMENDATION

The committee recommends that the Board review the proposed changes included as an appendix to this report, but refrain from circulating the recommendations to the community until the next bi-annual review, at the earliest. The proposed changes are not significant enough to warrant a campaign to change either of the governing documents.