

ISSUE #1

Section 1: [Article IV, Section 4] Removal of Directors by Board Vote

Any Director elected by the Lot Owners may be removed from office without cause at any regular or special meeting of the Board of Directors by an affirmative vote of a majority of the remaining Directors, without calling a meeting of the Members.

MARKUP #1 ->

Section 2: [Article IX, Section 1] Inspection of Corporate Records

The accounting records, minutes of Board and Member meetings, and membership list of the Association shall not be disclosed to or copied by any Lot Owner except upon prior approval of the Board of Directors.

Section 3: [Article III, Section 3] Notice of Annual and Special Meetings

Notice of any annual or special meeting of the Members may be given by posting a notice at the neighborhood park kiosk at least seventy-two (72) hours before the meeting.

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Article IV, Section 4 (p. 1): Allowing the Board of Directors to remove a member-elected director without cause violates the Montana Nonprofit Corporation Act.

Statutory / Legal Reference: Mont. Code Ann. § 35-2-421

Statutory Comparison: Under MCA § 35-2-421(1) and (4), the members may remove one or more directors elected by them without cause only at a meeting called for the purpose of removing the director, and the board of directors may not remove a member-elected director without a membership vote (except for missing a specified number of board meetings if authorized in the articles or bylaws at the beginning of the director's term under § 35-2-421(9)).

CURRENT WORDING IN DOCUMENT:

[Article IV, Section 4] Removal of Directors by Board Vote - Any Director elected by the Lot Owners may be removed from office without cause at any regular or special meeting of the Board of Directors by an affirmative vote of a majority of the remaining Directors, without calling a meeting of the Members.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Article IV, Section 4 ([Article IV, Section 4] Removal of Directors by Board Vote - Any Director elected by the Lot Owners may be removed from office without cause at any regular or special meeting of the Board of Directors by an affirmative vote of a majority of the remaining Directors, without calling a meeting of the Members.) to conform with Mont. Code Ann. § 35-2-421 and the manual attorney audit recommendations for Canyon Creek Village Homeowners Association, Inc..