



SCOTTSDALE COUNCIL OF HOMEOWNERS ASSOCIATIONS
SCOHA NEWSLETTER

IN OUR 41st YEAR

FEBRUARY 2015

*non-profit corporation organized
under the laws of Arizona*

SCOHA ANNOUNCEMENTS

FUTURE MEETING DATES AND TOPICS:

Feb. 24 Annual Legal Seminar
Mar. 24 Collection Landmines
May 19 Legislative Update

SCOHA's WEB SITE:

Don't forget to check our web site!

SCOHA's web site address is
www.scottsdalehoa.com.

You can enter the member section by typing hoamember for the password.

Annual Legal Seminar to Address Pertinent Legal Issues

Attorney Curtis Ekmark, SCOHA's President, will discuss important legal issues facing homeowners associations by highlighting the HOA cases around the country. Most importantly, he will address your questions at SCOHA's annual legal seminar on Tuesday, February 24 at noon.

This meeting fills up quickly each year, so please make your reservations as soon as possible. Call Jeanne Malys at 480-922-9292 or send an e-mail to jeanne@ekmarklaw.com by 2:00 p.m. on Friday, February 20 to make your reservation.

PLEASE NOTE: YOUR 2015 DUES MUST BE PAID BY FEBRUARY 24 IN ORDER TO ATTEND THIS MEETING. PLEASE CALL OR E-MAIL JEANNE MALYS AT 480-922-9292 OR jeanne@ekmarklaw.com IF YOU HAVE A QUESTION REGARDING YOUR DUES PAYMENT.

**SCOHA
DATA TO
REMEMBER:**

**Tuesday,
February
24th
11:45 a.m.**

**Lakeview Room
McCormick Ranch Golf
Club
7505 McCormick Pkwy**

**\$15.00
Reservations
Required**

**Call Jeanne Malys at
480-922-9292 by
Friday, February 20**

480-922-9292

jeanne@ekmarklaw.com • www.scottsdalehoa.com

Holding Effective Annual Meetings

Summary of the January 27, 2015 Meeting

Attorney Lynn Krupnik was SCOHA's guest speaker.

Annual meetings are a requirement for every association. Refer to the Bylaws or Articles of Incorporation to determine if the annual meetings timetable is specified. If it is set out in both, the Articles control. If the documents are silent, according to the Nonprofit Corporation Act, annual meetings must be held at least every 15 months.

Per the Condominium Act and the Planned Community Act, annual meeting notice must be given at least 10 days but not more than 50 days prior to the meeting. Again, check with the association's Bylaws or Articles to see if the notice requirements are specified in those documents.

Whether owners must be members in good standing (meaning dues and assessments are up to date) in order to vote is something that most governing documents address; however, they don't routinely address whether you are required to be a member in good standing to be on the Board. The Nonprofit Corporation Act also addresses whether owners of record as of the day of the meeting are allowed to vote.

The governing documents may state whether a member's voting rights may be suspended. However, if the documents are silent, the association cannot suspend a member's voting rights.

Quorum is needed to conduct the annual meeting. Check your Bylaws for what is considered a quorum, and if your Bylaws do not specify, the Nonprofit Corporation Act specifies

10% of the membership and the Condominium Act specifies 25%.

Your governing documents will specify most, if not all, of the information and requirements regarding annual meetings. If there is a specific question that is not addressed in your documents, then look to the Nonprofit Corporation Act, Condominium Act or Planned Community Act.

There are also requirements as far as absentee ballots, such as each ballot must give the member the opportunity to vote for or against each item, must specify the date and time the ballot must be returned to be valid, and only those items on the absentee ballot may be voted on at the annual meeting.

If an association would like to use electronic voting, that practice must be allowed in the Bylaws. If it is allowed, that practice must comply with laws regarding the use of electronic signatures. The association should allow voting by other methods as well.

Some of the other factors you must consider when planning for your annual meeting include the following:

- Is an agenda required?
- Must the election be held in a certain manner?
- Is a nominating committee required? If so, when must the committee be appointed?
- What are the requirements for board members:
 - How many board members?
 - Must board members be members of the association?

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- How long will the board member serve on the board?
 - Audiotaping or videotaping meetings is allowed. The board may adopt reasonable rules governing taping, but they can't preclude it.

Pre-planning is the key to running an effective annual meeting. Put together a timeline by establishing the annual meeting date and moving backwards.

This is just an overview of what is required for annual meetings. Always look to your documents and the applicable state statutes for what is set forth for your association.

Practical Annual Meeting Tips

- Prepare/Anticipate
- Know the governing documents
- Develop an annual meeting checklist
- Document the process
- Distribute the agenda with the meeting notice
- Ensure a quorum for attendance
- Provide adequate handouts
- Streamline the meeting (practice)

Annual Meeting Checklist

Here is a general checklist to follow when planning your annual meeting. To ensure your association is holding its annual meetings effectively and correctly, review your governing documents carefully, as well as the Nonprofit Corporation Act, and the Condominium Act or Planned Community Act (where applicable).

- Does your annual meeting have to be held on a certain date?
 - Which members are entitled to notice and/or entitled to vote?
 - When must notice of the annual meeting be given?
 - Must a member be in good standing to vote?
 - What is the quorum requirement for the annual meeting?
 - Is cumulative voting required or allowed, and if so, what does that mean?
 - What must be on the agenda?
 - What matters must be part of the meeting other than the election of directors?
 - Must certain documents be included with the notice of the annual meeting?
 - Do the governing documents require the election to be held in a certain manner?
 - Is a nominating committee required? If so, who appoints the members and when?
 - How many members need to be on the board?
 - What is the length of term of the board members?
 - Does your board have staggered terms?
 - If board members have been appointed, when does their term expire?
 - Do board members need to be members of the association?
 - Do board members need to be members in good standing?
 - Are members of the architectural committee elected or appointed, and if elected, who elects them?
 - Are nominations from the floor allowed?
 - Does there have to be a secret ballot?
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2015 Legislative Session Began January 12

It looks like it's going to be another battle at the State Legislature in 2015. SCOHA members need to continue to be active by putting our legislators on notice that we'll be watching them closely this session. To that end, please contact your legislators to let them know you exist.

Here are some suggested topics to include in your message:

1. Tell them to stop passing laws that hurt homeowners associations and boards of directors.

2. Tell them you heard Curtis Ekmark speak about the potential for proposed legislation that would make it easier to amend the governing documents and that you are asking for their support of any such legislation.

You can find your legislators by clicking on this link: <http://www.azleg.gov/> and then selecting the "How Do I Find My Legislators?" link under the FAQ heading on the left side of the page.

We appreciate your help!

2015 DUES PAYMENTS:

Please note that your 2015 dues must be paid by the February 24 legal seminar in order to vote for the SCOHA Board of Directors and to attend the legal seminar. If you have not received your dues packet, please call Jeanne Malys at 480-922-9292 or e-mail her at jeanne@ekmarklaw.com.

MEMBER UPDATES:

Included with your dues packets are member update forms. Please be sure to send us your updates so we can ensure that the right people are receiving the newsletters and e-mail notifications.

LEGAL NOTICE:

The February 24, 2015 luncheon meeting of SCOHA is designated as the Annual Meeting of the Scottsdale Council of Homeowners Associations, a nonprofit Arizona corporation. This February issue of the Newsletter serves as the advance and written legal notice of this Annual Meeting. Please note that a member association's 2015 dues must be paid in full in order to attend the Annual Meeting and legal seminar.
