



NOWACKHOWARD
COMMUNITY ASSOCIATION ATTORNEYS

Mastering Association Meetings

Presented by George E. Nowack, Jr.
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Mastering Membership Meetings

It's the details **before** that count.



Every Community Association is required to hold an annual meeting. That requirement comes from the Georgia Nonprofit Corporation Code (O.C.G.A.14-3-702), the Georgia Condominium Act (O.C.G.A.44-3-102) and the Georgia Property Owners Association Act (O.C.G.A.44-3-230). The specific requirements on the date and location are found in an association's Bylaws.



Both Acts state the purpose of an annual meeting is to give comprehensive reports of the affairs, finances, and budget projections of the association to the members. Election of directors also takes place with an annual meeting.



Today's program will look at common mistakes that are made in conducting an annual meeting, special meetings and challenges to actions taken at annual meetings.



Notice of Meeting

Associations subject to one of the Acts must give notice at least 21 days in advance of an annual meeting and at least 7 days in advance of any other meeting. Associations not subject to an Act must give notice as required in the Bylaws. Depending on the Bylaws, notice may be given by United States Mail, postage prepaid, overnight delivery, or issued electronically in accordance with the Uniform Electronic Transmissions Act.



Notice of Meeting

Issues:

- Notice given or received?
- Can it be delivered in other ways?
- Can notice be given only electronically?



Quorum

The minimum number of members that must be in attendance at a meeting in order to conduct business. Unless otherwise provided in a declaration or bylaws, the quorum for associations subject to one of the Acts is the presence of persons entitled to cast more than one-third of the votes at the beginning of the meeting. A quorum can be as little as 10%.



Quorum

Issues:

- Is it eligible persons?
- Does it include proxies?
- What happens if there is no quorum?
- Can an election of directors occur if there is no quorum?
- If no election, what happens to directors whose term expired?
- If no quorum, is there an obligation to call another meeting?



General Proxy

A written document that gives one member's right to act at a meeting on behalf of another member. The proxy holder has the authority to act on behalf of the proxy giver as he or she decides on all matters that come to a vote at a meeting. In order to be valid, a proxy must be signed by the proxy giver, name the proxy holder, be dated, and be turned in to the secretary or other designated person before a meeting is called to order.



General Proxy

**PROXY FOR MEETING OF
ABC CONDOMINIUM ASSOCIATION, INC.**

I/we, the undersigned hereby appoint _____ as proxy, with full power of substitution in the event that he/she is unable or declines to serve as proxy, to exercise the entire vote of the undersigned on all matters on which the undersigned is entitled to vote at the meeting of the members of ABC Condominium Association, Inc., to be held at _____ on _____, at _____ (a.m./p.m.) (Or any adjournments thereof). Such proxy is directed to vote in his/her discretion on any matters properly brought before the meeting.

Date

Name of Owner

Unit Address

Name of Owner



General Proxy

Issues:

- Can it be used to achieve a quorum?
- Can it be revoked?
- Does the proxy holder have to be another member?
- Can a proxy be rejected if the signature is questioned?
- Is there a limit on the number of proxies a person can be assigned?



Directed Proxy

Gives the proxy holder direction on the way to vote on one or all issues that come to a vote at the meeting.



Directed Proxy

DIRECTED PROXY

FOR THE 2011 ANNUAL MEETING OF XYZ COMMUNITY ASSOCIATION, INC.

The undersigned hereby appoints John Doe, Secretary of the Association **OR** _____ (Name your proxy-holder or, if no one is selected, the proxy-holder shall be the Association Secretary) as proxy, with full power of substitution in the event he/she is unable or declines to serve as proxy, to exercise the entire vote of the undersigned at the Annual Meeting of the members of the XYZ Community Association, Inc., to be held on November 10, 2011, beginning at 6:30p.m. at the _____ (or any adjournments thereof).

This proxy shall also be counted for the purpose of establishing a quorum for the Annual Meeting. If the Association Secretary is to serve as the proxy-holder and no direction is given below for the election of Directors, this proxy shall serve only to establish the quorum.

Such proxy is directed to vote for the following nominees to serve on the Board of Directors:

You may vote for up to three (3) individuals. If more than three (3) names are checked, the proxy is invalid. Incumbents are identified by an asterisk (*).

- | | | |
|---------------------------------|---------------------------------|---|
| <input type="checkbox"/> Mr. A | <input type="checkbox"/> Mr. X* | <input type="checkbox"/> _____ write-in |
| <input type="checkbox"/> Mr. B* | <input type="checkbox"/> Mrs. Y | <input type="checkbox"/> _____ write-in |
| <input type="checkbox"/> Mrs. C | <input type="checkbox"/> Mrs. Z | <input type="checkbox"/> _____ write-in |

Date

Signature of Owner

Address

Name of Owner (print)



Directed Proxy

Issues:

- Does the Proxy holder have to vote on directors?
- Is the association responsible for confirming the vote was cast as directed?



Ballot at a Meeting

A written indication of a person's choice on a matter on which a vote is taken. A ballot cast at a meeting is to be a secret. It can be cast by a member or a proxy holder.



Ballot without a Meeting

The Georgia Nonprofit Corporate Code permits any action that can be taken at a meeting can be taken by a written ballot without a meeting.

The ballot must state: (i) each proposed action and (ii) provide an opportunity to vote for or against each proposed actions.

It must also state:

- the number of responses to meet the quorum requirements
- state the percentage of approvals necessary to approve each matter other than the election of directors
- specify the time by which a ballot must be received in order to be counted



BALLOT

AMENDMENT NO. 6 TO DECLARATION FOR ABC, A CONDOMINIUM

Background and Instructions: The Board of Directors proposes amending the Declaration for ABC. The purpose of the amendment is to impose a capital contribution assessment upon any conveyance or transfer of a Unit, other than to the spouse or heir of the Owner in the amount of one-half of one percent (0.5%) of the Unit's purchase price.

The return of ballots representing one-third (1/3) of the eligible votes of the Association are required to constitute a quorum. The amendment to the Declaration must be approved by members of the ABC Condominium Association, Inc. holding at least sixty-six and two-thirds percent (66-2/3%) of the members. If approved, the amendment will become effective upon recording of the document in the Fulton County land records. The Board recommends and asks that you approve the amendment to the Declaration.

FOR: the amendment

AGAINST: the amendment

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN _____ AT _____ P.M. BALLOTS MUST BE RETURNED TO _____ . BALLOTS MAY ALSO BE RETURNED ELECTRONICALLY TO: _____ or VIA FAX TO: _____

Signature of Owner(s)

Address

Print Name(s)

Date



Ballot without a Meeting

Issues:

- Does an ineligible member get a ballot?
- Can this ballot be revoked or changed?
- Can the Board extend the return date?
- When does the result of the vote become effective?



Special Meetings of the Association

Both Acts require a Board to call a special meeting upon the written request of at least 15% of the Owners. The Georgia Nonprofit Corporate Code requires a request of a minimum of 5% of the voting power. Most special meetings are called for the purpose of removing one or more members of the Board. Only the issue(s) stated in the notice can be addressed at the meeting.



Special Meetings of the Association

Issues:

- Do members have the right to call for a special meeting to overturn a decision of the Board?
- Who runs the meeting?
- Is a quorum necessary?
- Who decides the date and timing of the meeting?
- Can the members take any action for which notice is not given?



Thank You

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