



THE QUARTERLY ASSESSMENT

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While focusing on the ever important external appearance of their communities, board members and managers may also want to examine the important internal components of their respective community associations.

FOCUSING INWARD - UPDATING ASSOCIATIONS' INTERNAL COMPONENTS

By Bruce H. Easmunt

The passage of spring into summer inspires many homeowners to undertake a "spring cleaning" of their individual homes. Windows are opened, screens are cleaned and the furniture is dusted. Many community associations also undertake a similar type of "spring cleaning" of the external components of their community during this period. Landscaping is planted, fresh paint is applied and construction projects begin. Previous editions of The Quarterly Assessment have aided board members and managers by presenting methods for improving their external spring cleaning efforts. This summer, after focusing on the ever important external appearance of their communities, board members and managers may also want to examine the important internal components of their respective community associations. This article briefly outlines the procedures for an effective "spring cleaning" of a community association's internal components, namely, its governing documents and third party contracts.

Declaration, Bylaws and Articles of Incorporation

An association's Declaration, Bylaws and Articles of Incorporation (if applicable) contain the integral provisions which create and sustain a community association by establishing the means by which assessments are collected, common areas or common elements are maintained and by which ownership obligations are defined. An association should ensure that it maintains an executed and recorded copy of its original Deed of Subdivision (if applicable) and Declaration (including any accompanying plats and plans) as they appear in the land records of the association's particular jurisdiction, as well as an executed copy of the association's Bylaws and, for incorporated associations, its Articles of Incorporation. In the case of a condominium, the Association should also ensure that it maintains a copy of the Bylaws as they are recorded among the land records.

Conflict Review: In performing a review of these documents, it is not uncommon to find conflicting provisions among them, ranging from the minimally problematic (e.g. different interest rate charges for late assessment payments) to the highly problematic (e.g. conflicting provisions regarding repair and replacement responsibility for condominium components). Often, the Declaration will expressly state that the terms of the Declaration control over the terms of the Bylaws. However, such a provision does not address internal inconsistencies within the same document. Conflicting provisions may ultimately lead to costly litigation between an owner and the association.

An association should have its governing documents periodically reviewed by its legal counsel to ensure that any internal conflicts, as well as conflicts with recent legislative changes, that may exist are identified and addressed. If such conflicts exist, an association may want to consider amending its governing documents.

Applicability of Governing Statutes: In addition, an association should review its governing documents to ensure that it is subject to (or governed by) applicable statutory authority. This may require the assistance of legal counsel. The provisions contained in statutes are often enabling provisions, meaning that an association does not have the authority to perform a certain action without being enabled to do so by a particular statutory provision. For example, the Virginia Supreme Court held in *Dogwood Valley Citizens Ass'n, Inc. v. Winkelman*, 267 Va. 7, 590 S.E.2d 358 (2004) that in order to be an "association" governed by the Virginia Property Owners' Association Act, an association must possess both the power to collect assessments and a corresponding duty to maintain the common area. In addition, these conditions must be expressly stated in a specific type of recorded instrument in the land records of the jurisdiction where some portion of the development is located.

Easement Checklist:

- Does the association have the authority to grant or accept easement?
- Is the association entitled to consideration in exchange for the easement?
- Is the nature and location of the easement clearly established?
- Are insurance and liability issues adequately addressed in the easement agreement?
- Is the easement exclusive or non-exclusive?
- Are the parameters of the easement clearly established in the easement agreement?
- Are the term of the easement and the means by which the easement may be terminated clearly stated?
- Does the agreement include provisions related to how conflicts are to be resolved?
- Is the easement agreement in proper form to be recorded in land records and have arrangements been made for recordation once it is executed?

EASEMENT RIGHTS: WHAT ASSOCIATIONS SHOULD KNOW BEFORE GRANTING OR ACCEPTING AN EASEMENT*By Cassie Craze, Esquire*

The governing documents for most community associations contain several provisions regarding easements. These provisions will generally address the easement rights reserved to members of the association, the board of directors and the declarant. However, most associations, at some point, will also find themselves the subject of a request for an easement over common properties, or desiring an easement over property owned by someone else. There are numerous issues that any Association that is either granting or obtaining an easement should consider before signing an agreement or deed establishing the easement. In addition, there are provisions that any such document should contain to protect the interests of the association and its members.

Authority: The first issue a board of directors of a community association should consider before granting or accepting an easement is whether it has the authority to do so. The governing documents for many community associations specifically address the issue of easements, and the authority of the board to grant or accept easements. Membership approval will often be required, particularly before the association grants an easement or if the easement will interfere with the existing easement or other property rights of the members. In addition, the association should be careful not to grant an easement that goes over the property of an individual owner or that goes over any property other than the common properties as it does not have the authority to grant an easement over land that it does not own. The scope of authority may be limited dependent upon the nature of the easement, i.e. whether it is a utility easement.

Consideration: When the association is granting an easement to another person or entity, it often may be entitled to some form of consideration, or something of value, in exchange for the easement rights. There are many circumstances involving community associations in which consideration would be appropriate. For example, if the association grants an easement to allow a cell phone company to utilize a portion of the common properties for a cell phone tower or to permit the county to expand a public street or public utilities onto common properties. Consideration may be in the form of monetary compensation, but that is not always the case. The association should be creative and should attempt to negotiate for consideration in a form that will benefit the association and its members. For example, in exchange for an easement over common properties the association could request the grantee to add landscaping in the easement area or a separate easement for the benefit of the association over real property owned by the grantee.

Nature and Location. The nature and location of the easement should be clearly established before the association enters into any type of agreement or deed for an easement. It should be clear if the easement applies only under the ground or only above the ground, whether it is only for ingress or egress or whether something will be installed or constructed in the easement area, what uses are permitted in the easement area and any limitations on those uses, and how the easement will be accessed. Often much of the information regarding the nature and location of the easement is in the recitals to the agreement or deed. The association should make sure that a provision is included that incorporates these recitals in the legal portion of the document. There should be plats and plans or a metes and bounds description that clearly designates the easement area. In addition, the association should ensure, through a title search or similar research, that the easement that is being conveyed or accepted does not interfere with easement rights that have previously been granted to someone else.

Liability. The nature of easements, in which one person or entity owns the property and another has the right to use the property, creates several liability issues. It should be clear from the written agreement of the parties who will provide insurance and any specific requirements regarding that insurance. If the association owns the property over which the easement is being granted, it should ensure that the party to whom it is granting the easement is required to maintain adequate insurance and that the association is named as an additional insured on any such policy. In addition, if the association is granting an easement it should make certain that the grantee indemnifies the association (including its board and its members) for any liability that may arise out of the easement. Also, depending on the use of the easement, it may be necessary that the agreement between the parties address required safety precautions, including adequate screening and other safety precautions if there will be a BMP, construction or other potentially dangerous activity on the easement area.

Maintenance, Repair, Replacements and Improvements. Any easement agreement that

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GUIDE TO CHANGES IN FEDERAL HOUSING ADMINISTRATION CONDOMINIUM PROJECT APPROVAL REQUIREMENTS

By Jerry M. Wright, Jr., Esquire

The Federal Housing Administration (FHA) is the largest governmental insurer of mortgages in the world. FHA-approved lenders enjoy protection against losses as a result of homeowners defaulting on their mortgage loans. To qualify for FHA insurance, loans must meet mortgage approval requirements established by the FHA. One such requirement for an FHA-backed loan is the loan's maximum amount. In certain regions of Virginia, these maximum amounts are currently as follows: Northern Virginia: \$729,750; Henrico/City of Richmond: \$535,900; Frederick/Winchester: \$475,000; Williamsburg: \$458,850; and Roanoke: \$280,000.

In the wake of the economic downturn, the bursting of the real estate bubble, and the ensuing credit crunch and flood of foreclosures, the FHA adopted new rules affecting many mortgage qualifications, including whether existing condominium projects will be approved for FHA-insured mortgages. These new rules went into effect in December 2009, but become of more significance in February 2010 when the FHA stopped allowing lenders to use the "spot loan" approval process where the lender could simply get FHA approval for a loan on an individual unit-by-unit basis. Now, the entire condominium project must be FHA-approved before the buyer can obtain a FHA-insured mortgage. The following is a brief synopsis of selected FHA guidelines related to existing (established) Condominium projects. New projects under development have slightly different requirements that are beyond the scope of this article.

Condominium Project Requirements:

- **Eligible Project Types:** Condominium projects (with two or more units) that are declared and existing in full compliance with applicable law.
- **Ineligible Project Types:** Condominium hotels; timeshares; houseboat projects; multi-dwelling unit condominiums (have more than one dwelling per condo unit); and projects that are not deemed to be primarily residential.
- "Site Condominiums," or condominiums comprised of single-family detached dwellings, which share no garages or other attached components, are not technically "ineligible," but FHA does not require project approval for loans on these units.
- No more than 25% of property's total floor area can be used for commercial purposes pursuant to the Association's covenants.
- No more than 15% of the total units may be more than 30 days' past due in the payment of assessments.
- No more than 10% of the units may be owned by one person or entity. If Condominium has 10 or fewer Units, then no person or entity may own more than one unit.
- No less than 50% of units may be owner-occupied or sold to owners who intend to occupy their units (excluding lender/bank-owned units from this calculation).
- Project must be 100% complete, except that a Condominium may obtain approval on a phase-by-phase basis if it has separate legal phases.
- A Condominium may not be party to litigation, except for collection of delinquent assessments, unless granted an exemption or waiver by the FHA, which is determined on a case-by-case basis.

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Now, the entire condominium project must be FHA-approved before the buyer can obtain a FHA-insured mortgage.

No more than 15% of the total units may be more than 30 days' past due in the payment of assessments.

No less than 50% of units may be owner-occupied or sold to owners who intend to occupy their units.

Concerned about the number of rentals in your community? Contact our office to discuss your association's options for restricting the number of lots or units that may be rented or leased.

Insurance Requirements:

- Hazard Insurance: 100% replacement cost for entire project (covering common elements and units, but not necessarily unit owners' betterments and improvements).
- Liability Insurance: Covers all common elements and commercial space owned/leased by association.
- Fidelity Insurance: Required for project with 20 or more Units, covering 3 months' assessments plus reserves (covering officers, directors, employees of association, and all others handling/responsible for funds).
- Flood Insurance (if applicable): \$250,000 per Unit or replacement cost of project, whichever is less. Must protect the interest of borrowers who hold title to an individual unit as well as the common elements.
- Budget must be "adequate" and provide:
- Sufficient funds to maintain all amenities; and
- Funding for replacement reserves and deferred maintenance in amount equal to at least 10% of budget; and
- Adequate funding for insurance coverage and deductibles.

Note: If the budget does not meet the 10% reserve funding standard, the adequacy of the current level of reserve funding must be supported by a reserve study no more than 12 months old.

Changes To Borrower Requirements:

- Up-front mortgage insurance premiums increased to 2.25% (up from 1.75%).
- Minimum FICO credit score now 580 to qualify for 3.5% down payment. Lower credit scores will require a 10% down payment.
- Sellers allowable concessions toward buyer's closing costs and prepaid expenses now 3% (down from 6%).
- The borrower must obtain an "HO-6" individual owner's insurance policy if the master policy does not include replacement of interior improvements and betterments that the unit owners may have made to the unit.

The foregoing outline is a brief review of a portion of the FHA requirements for Condominium projects. Go to <https://entp.hud.gov/idapp/html/condlook.cfm> to determine whether your condominium is already FHA approved. If approved under the old set of rules, your condominium's FHA approval will expire in December 2010 and the Board should determine whether to affirmatively seek re-certification from the FHA.

While condominiums are not required by law to be FHA-approved, the pool of potential buyers can be reduced if the condominium is not approved. It is estimated that approximately one-third of potential purchasers are seeking FHA-insured mortgages. Also, keep in mind that if owners need to sell a unit because of financial constraints, change in job location or other reasons, but have a hard time finding a qualified buyer, your association may see an increase in the number of rented units, delinquencies and lender foreclosures. Ultimately, boards of directors need to make an informed, good faith business judgment as to whether it is in the best interests of the association for the board to submit an application to the FHA to seek FHA approval of the condominium and therefore potentially increase the marketability of the units. We suggest comparing the FHA mortgage loan limits with the value of the units in your condominium. Also, keep in mind that while lenders have the ability to seek FHA-approval of the entire condominium, it is anticipated that lenders will likely be reluctant to do so unless the condominium is still under development or recently completed. Once approved by the FHA, the approval is good for two years, and the condominium would need to go through the FHA's re-certification process to maintain or re-establish its approved status. Please contact us with any questions or if you would like a more detailed examination of the FHA requirements' potential applicability to your association.



The foregoing outline is a brief review of only a portion of the dozens of updates to the *Selling Guide*. Please contact us with any questions or if you would like a more detailed examination of Fannie Mae's requirements and their potential application to your association.

Focusing Inward - Updating an Association's Internal Components
Continued from page 1

The governing documents of most property owners' associations in Virginia meet the above criteria. However, on occasion, a review of an association's governing documents may reveal that, although a board of directors believed that they were subject to the Virginia Property Owners' Association Act and had been acting under that assumption, their governing documents in fact did not meet the criteria set forth in *Dogwood Valley*. As such, their association is not subject to the Act. Among other problems created by this situation, the association may not rely on the authorizing statutes of the Act and may only take those actions that are expressly set forth in their governing documents. For example, if an association's governing documents did not provide for the authority to collect attorney's fees in the event of non-payment of assessments, an association may not be able to rely on Section 55-516 of the Virginia Property Owners Association Act to collect its attorney's fees.

Although uncommon, an association may be operating without authority for its actions as a result of not being subject to applicable statutory provisions. A legal review of an association's documents will help to ensure that the association is operating with requisite authority.

Rules and Regulations

In addition to its "founding" documents (the Declaration, Bylaws and Articles of Incorporation), an association is also governed by the rules and regulations adopted by its Board of Directors. Given the temporary nature of a volunteer board of directors and its rate of individual director and manager turnover, it is not uncommon for resolutions to be lost, duplicated, or simply not followed. With this reality in mind, an association should ensure that an accurate "book of resolutions" or other type of organizational record is maintained to ensure that resolutions are consistently followed by Board members and Association members alike, and consistently supplied in resale disclosure packets. In addition, an association's resolutions should be reviewed to ensure that they are up to date and do not conflict with an association's governing documents or applicable laws.

Architectural Guidelines

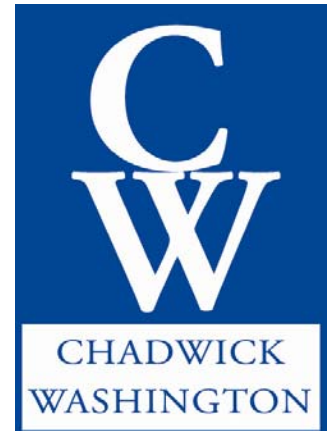
Many association's architectural guidelines were initially drafted at the inception of the association by the developer. Over time, the aesthetic ideals of a community may change or new and improved materials or products may become available for external construction projects. For many reasons, regulations and guidelines may no longer fit the current needs of an association. In many cases, overly restrictive guidelines are simply not enforced. This lack of consistent enforcement may lead to difficulty in enforcing the rules that are still deemed desirable. Rather than risk the possibility of being unable to enforce these rules, associations should review their architectural guidelines to flag those rules it deems no longer fit the needs of the community. Based on the amendment procedures set forth in the guidelines or governing documents, an association should consider amending its guidelines to delete those rules that it has deemed no longer desirable to enforce. Similarly, depending on the scope of the association's authority, the guidelines should be revised to include new rules that may assist in regulating a consistent appearance of homes throughout the community.

Committee Charters

As many Virginia associations are aware, meetings of committees are required by Virginia law to be open to association members in the same fashion as meetings of the board of directors. Minutes of committee meetings are also required to be kept. Committee charters can be valuable tools to remind committee members of their rules, scope of authority and responsibilities.

Covenant/Rule Enforcement Resolutions

The Virginia Property Owners' Association Act and the Virginia Condominium Act both grant Virginia associations the ability to impose violation charges for a violation of the governing documents, provided that the recorded covenants or rules and regulations duly adopted pursuant thereto contain such authority. In the event that an association's recorded covenants or current rules do not expressly contain this authority, an enforcement resolution should be adopted to give the board of directors such power. An effective enforcement resolution should contain a reference to statutory authority and set forth the procedures by which violation charges imposed.



www.chadwickwashington.com

Periodically, Chadwick, Washington, Moriarty, Elmore & Bunn, P.C. conducts seminars in the evenings throughout Virginia and Washington D.C. at no charge to its clients for the purpose of making educational materials and information available to the board members whom it serves. We would like to thank those who recently attended our 2010 seminars and made the seminars such a success.

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Maintaining an association's internal components is just as important as maintaining the external and physical components of an association.



Focusing Inward - Updating an Association's Internal Components Continued from Page 5

Existing enforcement resolutions should be reviewed to ensure that they are up to date and comply with statutory requirements and an association's governing documents or condominium instruments. For example, associations should ensure that these resolutions do not conflict with the strict notice and hearing procedures set forth in the applicable statutory provisions.

In addition, the Virginia Supreme Court has found that community associations may not "fine" their members, as the power to "fine" an individual rests only with governmental authority. Many older association's have governing documents that contain this term. It is recommended that associations amend their documents to eliminate the use of this term. In addition, The Virginia Condominium Act and the Virginia Property Owners Association Act both expressly refer to the imposition of violation charges, as opposed to "fines".

Collections Resolution

In the current economic climate, a properly drafted collection resolution can be an effective tool for increasing the effectiveness of an association's delinquent assessment collection process. Collection resolutions should be reviewed to ensure that their provisions (including late fees and interest charged on delinquent accounts) do not conflict with the association's founding documents.

In an effort to increase the speed and efficiency of the collections process, associations should review how long an account must remain delinquent prior to being transferred to legal counsel for collections. Many resolutions require that an account must remain delinquent for ninety or up to one hundred-twenty days prior to initiating legal action. For those associations suffering from a deluge of delinquent assessments, this timeframe may be too long. Associations may desire to reduce this timeframe to 60 days in order to speed up the collections process. Another method to increase the efficiency of the collections process is to include provisions that address bad checks, and when assessments are accelerated (assuming the founding documents authorize such action).

Reserve Study

Virginia requires that associations maintain an adequate reserve account for the repair and replacement of common area components and common elements. Once every five years, a reserve study must be conducted. Association's should verify the date of their most recent reserve study and should schedule a new study prior to the expiration of five years from that date. Associations should also review the contents of that study to ensure that they are adequately budgeting for the reserve requirements outlined in the study.

Third Party Contracts

With regard to a "spring cleaning" of third party contracts, associations should keep a spreadsheet or other type of organizational method listing the existing contracts that association has entered into, including the length of those contracts as well as their renewal terms. This information should be reviewed on a periodic basis to ensure that the board of directors, or management, obtains timely bids on those contracts which are about to expire, and, where applicable, to timely and properly terminate undesirable contracts those contracts automatically renew for subsequent terms.

Contracts should also be reviewed to ensure that they meet the needs of the association. Insurance agreements should be reviewed to ensure that they adequately cover the association's assets that may have increased in value since the policy was enacted. Further, insurance policies should be reviewed to ensure that the coverage provided meets statutory requirements, e.g. the formula set forth for fidelity bond coverage for Virginia associations (see Sections 55-514.2(B) and 55-79.81(B) of the Code of Virginia).

Maintaining an association's internal components is just as important as maintaining the external and physical components of an association. By performing a "spring cleaning" of an association's governing documents, an association's board of directors can attempt to ensure that it is operating with requisite authority in a consistent and up-to-date manner.

EASEMENT RIGHTS*Continued from page 2*

involves disturbance to the property, due to construction or other reasons, should address which party is responsible for restoring the easement area to its original condition, a deadline for the restoration, and details regarding what this involves (i.e. will all existing landscaping need to be replaced or will only certain trees and shrubs need to be reinstalled? Is it sufficient to put grass seed down following construction or is there a continuing obligation to water the grass and to ensure that it is well established? Is seed sufficient or should sod be used to restore the grass more quickly?). In addition, the parties should agree regarding who is responsible for future maintenance, repair and replacement of the easement area, and any specific requirements as to the standard to which the area should be maintained. If the association is the grantor of the easement, it should ensure that it has the authority to enter the easement area to maintain it in the event of the grantee's default, and that it has the authority to charge the grantee for the cost of any such maintenance. The agreement between the parties should also specify what improvements and upgrades will be made to the easement area and should detail the rights and responsibilities of the parties in the event of vacation, termination or cancellation of the easement (i.e. who is responsible for removal of equipment, who keeps improvements that were made to the area).

Exclusivity. Easements can be either exclusive, so that only the grantee has the right to use of the easement area, or non-exclusive, so that the grantor and others may continue to use the area. This is an important issue that should be clearly established by the parties before entering into any type of agreement related to the easement, and is often a large factor in determining the amount of consideration to which the grantor may be entitled. If the association is granting an easement over common properties, it is important that it ensure that it reserves the right for its members to use to property. Most associations' governing documents provide all owners with an easement of use and enjoyment over the common properties. Virginia case law establishes the sacrosanct nature of these easement rights and that associations may not interfere with those easement rights without the permission of the individual members. It should also be clear whether the grantee's easement rights are assignable or transferrable (i.e. could the easement rights be sold or otherwise conveyed to a third party).

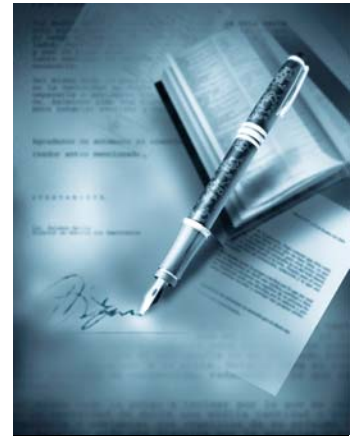
Permitted Uses. The easement agreement should also clearly establish the parameters of the permitted uses of the easement. For example, is access to the easement limited to certain hours or days of the week, is construction or operation of equipment in the easement area limited, does the association have the authority to require that the easement not be used by the grantee if grantees use of the easement will interfere with a function or event of the association, is only the grantee entitled to use of the easement area or are family, guests and employees of the grantee also permitted to utilize the easement area. Access to the easement area with respect to the grantee should be specifically established and limited to the reasonable scope of the easement, and a reasonable notice requirement related to access should be included.

Term/Termination. The term of the easement, or the length of time that it will be in effect, should be clearly established in the easement agreement. Many easements exist into perpetuity but this is not always the case. The easement agreement can specify a specific date on which the easement will terminate or a specific event that will cause termination (i.e. if the easement is no longer being used for its intended purpose). If the easement can be terminated prior to the termination date or time set forth in the agreement, this should also be set forth in the agreement. The parties to the agreement could provide for the easement to be terminated for any reason upon notice to the other party, upon the sale of either the property on which the easement is located or the property of the grantee if use of the easement is in some way tied to that property, or if specific events occur.

Conflict Resolution. The easement agreement should anticipate that the parties to that agreement may, at some point, be involved in a dispute regarding the agreement or use of the easement area. For this reason, there are several provisions that should be included in any easement agreement to address issues that may arise if such a dispute does occur. This includes details regarding where, when and how any notice to the other party should be provided and how that information should be updated if necessary. The agreement should also address what state's law will apply to the dispute and what court should hear any such dispute (generally the appropriate court for the city or county in which the real property that is subject to the easement is located). In addition, the easement agreement should state that it is the entire agreement of the parties and should specify how any changes to the agreement should be made (i.e. in a writing signed by both parties to the original agreement). Finally, the agreement should provide that the prevailing party in any dispute regarding the easement or the easement agreement is entitled to recover its reasonable attorney's fees and costs from the other party.

Recordation. Easements affect real property and often run with the property so that they bind not only the current owner, but also future owners. Therefore, it is imperative, once the parties do have a signed agreement and/or deed establishing an easement, that the easement is recorded in land records in the circuit court for the city or county in which the real property that contains the easement is located. If this is not done, the easement will most likely not be binding on future purchasers of the property. The easement should contain a provision regarding which party will be responsible for the recordation of the easement, including any associated fees or costs.

There are a number of issues that should be considered and addressed before an association grants or accepts an easement. With careful attention to those issues, an association should be able to enter into an easement agreement knowing that both the association and its members are well protected and that any problems that may arise can be resolved pursuant to the terms of the agreement.



An easement agreement should be in a form that can be recorded in land records, and the association should make sure that it is promptly recorded once it is signed.

Top 10 Tips for Annual Meetings

By Marie Johnson, Esq.

1. **Proxies**- Make sure members comply with the association's requirements and restrictions on the use of proxies. If required by law or the association's governing documents, ensure that proxies are witnessed, signed, dated and filed with the secretary of the association. Verify how many proxies an individual member can hold and vote.
2. **Notice**- Must be sent according to the requirements in the association's governing documents and applicable law. Make sure deadlines are met and that proof of mailing is provided.
3. **Quorum**- Know the quorum amount and how many members or percentage of votes must be present to achieve quorum. If your association's quorum amount is difficult to obtain, consider an amendment to the association's bylaws to reduce the quorum requirement.
4. **Meeting Place**- Select a location and meeting time that is both convenient and comfortable for members to attend.
5. **Meeting Agenda**- Annual Meetings should be limited to the items listed in the proposed agenda sent out with the meeting notice. Such notice should include any special items to be addressed, such as voting on an assessment increase or proposed bylaw amendment.
6. **Meeting Procedure**- Announce procedural rules at the meeting outset. If not required by the association's governing documents, consider following Roberts Rules of Order for procedure. Actions should be initiated by motion, seconded, discussed and voted on by the members.
7. **Ballots**- Have a uniform ballot prepared and handed out to each eligible member for voting purposes. Members with proxies should be issued a ballot for each valid proxy they hold.
8. **Verify Voting Ability**- Check to see if your documents allow an owner to vote if they are delinquent in the payment of assessments
9. **Open Forum**- Consider placing a time limit on members and how long each is allowed to talk to keep the meeting from running too long.
10. **Record Keeping**- Ensure all ballots and proxies are kept in the association's records to provide documentation if election results are challenged. Consider adopting a record-retention policy.



*Still have questions?
Our attorneys frequently
attend annual meetings
to assist with issues that
may arise during the
course of the meeting.*

FIRM UPDATES: RECENT HAPPENINGS AT CHADWICK, WASHINGTON, MORIARTY, ELMORE & BUNN, P.C.

- Wil Washington and Brendan Bunn were featured speakers at the 2010 CAI National Law Seminar held in Tucson, Arizona in January.
- Andrew Elmore was a speaker at the 2010 Community Associations day held by the Central Virginia Chapter of the Community Associations Institute in February.
- Cassie Craze was awarded the Rising Star Award for the Central Virginia Chapter of the Community Associations Institute.
- Jerry Wright and Sara Ross presented a seminar at the 2010 Community Associations Institute National Conference in Las Vegas, NV in April. They educated (and entertained) attendees with a course on maintaining order in community associations and dealing with out of control meetings, members, and boards. The course was appropriately titled: "Getting Elvis to Leave the Building and Other Practical Ways to Restore Order."
- Andrew Elmore recently presented a CAI course, "The Essentials of Community Association Volunteer Leadership," in Williamsburg.
- Brendan Bunn and Andrew Elmore were speakers at the CAI Washington Metropolitan Chapter's 2010 Conference and Expo, held in Washington, DC.
- Bruce Easmunt's article, "Focusing inward: 'Spring Cleaning' an Association's Internal Components" was published in the March, 2010 edition of WMCCAI's monthly publication, *Quorum*.
- Chadwick, Washington, Moriarty, Elmore & Bunn, P.C. is pleased to announce that Robert D. McClain has become an associate of the Firm, practicing in the Fairfax, Virginia office.



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ELMORE &
BUNN P.C.

The information contained in this publication should not be acted or relied upon without specific legal advice based on particular fact situations. Should further analysis or explanation of the subject matter be required, please contact Chadwick, Washington, Moriarty, Elmore & Bunn, P.C.

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