

Corporate Legal Issues for Oklahoma Condominium, Homeowner & Neighborhood Associations

Hosted by the Oklahoma State
Association of Parliamentarians

Matthew L. Winton, Esq.

VAUGHN, WINTON & CLARK^{PLLC}

3233 East Memorial Rd., Suite 103

Edmond, Oklahoma 73013

405.478.4818

www.vwlaw.net

www.okhoa.blogs.com



Legal Service for Community

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Topics Overview

1. Applicable Oklahoma Law
 - Case Law
 - Statutes
2. Default Rules (if incorporated)
3. Board Liability & Protection
4. Quorum & Proxies
5. Books & Records
6. FAQ
7. Unincorporated Associations
8. Q&A



Applicable Case Law

- Horry v. City of Tulsa, 2004 OK CIV APP 13 (tie vote means no decision, NOT a “no” decision) [No RONR]
- Stone v. Dean, 1959 OK 111; Estes v. Tompkins, 1962 OK 47 (What constitutes adequate notice?) [Yes RONR]
- Oldham v. Drummond Bd. Of Educ., 1975 OK 147 (Statute controls over RONR) [No RONR]



Reported cases, cont'd

- Bonney v. Smith, 1944 OK 149 (On a 3 member board, $\frac{3}{4}$ vote requirement means all 3 members approving) [No RONR]
- Gelder v. Loomis, 1980 OK 10 (Motions to limit discussion permissible under “normal parliamentary procedure.” [No RONR]
- First Nat'l Bank v. Daugherty, 1926 OK 876, ¶14, 17; Hartford Accident & Indemnity Co. v. City of Sulphur, Okl., 123 F.2d 566, 571 (10th Cir. 1941) minutes are prima facie evidence of meeting events. Rebuttable presumption.

Applicable Community Association Laws

- 60 O.S. 501 et seq. – Condo
- 60 O.S. 851 et seq. – HOA
- 18 O.S. 1001 et seq. – Corp.
- 12 O.S. 182 - Unincorp. Assoc.
- 11 O.S. 42-106.1 (amendments; creating mandatory association)

Default Procedural Rules (“UOP”)

- UOP, Bylaws adopted/amended by “governing body.”
- UOP, quorum is 1/3 of total membership (Can be much less)
- UOP, majority vote except for election of directors.
- UOP, plurality vote for directors.
- UOP, Min. 10 / Max. 60 days notice



Protecting the Board and Members

- Insurance: Liability/Casualty; D&O; Fidelity
- Indemnification in Governing Documents
- State Law: 18 O.S. 865-867
 - Incorp. & file 1120H
- Best practices, systems, etc.

Quorum under the Law

- A quorum is “Such a number as must be present in order that business can be legally transacted.” RONR, p.334-340
- What does Articles or Bylaws provide for quorum?
- If incorporated, 18 O.S. 1060 provides for 1/3 of total membership, but may be less.
- For court-ordered election, the quorum is the number of members present regardless of actual quorum requirement.

Proxies – A Primer

- 18 O.S. 1057.C & D
 - Proxy must be signed or have signature “affixed” to writing
 - Electronic copies are acceptable
- 18 O.S. 1060
 - UOP, proxy is valid for 3 years
- RONR disfavors proxy voting
- Limited proxy? Voting proxy?

Books & Records: Rights to Access

- 18 O.S. 1065 (if incorporated)
- 18 O.S. 1069 – form of records
- 60 O.S. 521 (for condo)
- None for HOA
- What do Governing Documents provide?
- “Proper purpose”

Frequently Asked Questions

1. Does the Open Meeting Act apply to community associations?
2. Do members have a right to call special meetings?
3. Do members have a right to remove board members?
4. Can I vote electronically?
5. Can we act without meeting?
6. Class A members and Declarant
Class B: What does it mean?

The Law of Unincorporated Associations

- An unincorporated association is when “two or more people associate themselves together and transact business for gain or speculation under a particular appellation.”
- Bylaws, common law, and various statutes are “the law” of the entity.
- The unwritten law: friends don’t let friends join unincorporated associations.

Bylaws of the nonprofit/nonstock

- 18 O.S. 1013
 - Unless restricted by the Articles/Certificate, the board itself can adopt/repeal/amend bylaws.
 - Bylaws may contain any provision not inconsistent with the Articles or the law.
- 18 O.S. 1014
 - Emergency adoption of bylaws in the event of attack/catastrophe