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May 19, 2015

**Board of Directors,
ArrowCreek Homeowners' Association**

c/o Associa Sierra North
Attn: Jeanne Tarantino
10509 Professional Circle, Suite 200
Reno, Nevada 89521

Sent Via U.S. Mail and e-mail

RE: Opinion Regarding Rules of Order [UPDATE]

Dear Directors:

You have asked us to update our March 3, 2015, opinion regarding whether the parliamentary procedure adopted by the Arrowcreek Homeowners' Association ("ACHOA") is appropriate under Nevada law in light of an alleged "First Amendment to the Bylaws."

Amendment to Bylaws

Certain homeowners have brought forth a document entitled, "Certificate of First Amendment to the Bylaws for the Arrowcreek Homeowners Association," dated May 13, 1997 (the "Amendment"). This Amendment provides, in relevant part (emphasis added):

Unless otherwise provided in these Bylaws, the Declaration or the Articles of Incorporation, all meetings of the Association shall be conducted in accordance with the procedural rules specified in the most current edition of Roberts Rules Of Order.

This document was never recorded. It is further our understanding that this Amendment may not have been disclosed to any owner at the close of escrow for any home within Arrowcreek thus making such Amendment suspect, at best.

Section 2.05 of the Bylaws for ACHOA provides that "[t]he President or other officer of the corporation shall preside as chairman at all meetings of the members. The chairman shall conduct each such meeting in a businesslike and fair manner, **but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure.**" Emphasis added.

Applicable Law

NRS 116.3109(4) provides that "Meetings of the association must be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised, **unless the bylaws or a resolution of the executive board adopted before the meeting provide otherwise.**" Emphasis added.



An association “[s]hall adopt and, except as otherwise provided in the bylaws, may amend bylaws and **may adopt and amend rules and regulations.**” See NRS 116.3102(1)(a) (emphasis added).

NRS 116.3106(2) unequivocally further provides that “the bylaws may provide for any other necessary or appropriate matters, including, without limitation, **matters that could be adopted as rules.**” Emphasis added.

Regarding rules that an Association may adopt, NRS 116.31065 governs and provides that the rules adopted by an association:

1. Must be reasonably related to the purpose for which they are adopted.
2. Must be sufficiently explicit in their prohibition, direction or limitation to inform a person of any action or omission required for compliance.
3. Must not be adopted to evade any obligation of the association.
4. Must be consistent with the governing documents of the association and must not arbitrarily restrict conduct or require the construction of any capital improvement by a unit's owner that is not required by the governing documents of the association.
5. Must be uniformly enforced under the same or similar circumstances against all units' owners. Any rule that is not so uniformly enforced may not be enforced against any unit's owner.
6. May be enforced by the association through the imposition of a fine only if the association complies with the requirements set forth in NRS 116.31031.

See NRS 116.31065.

Page 486 of *Roberts Rules of Order Newly Revised*, which is the latest edition of such Rules, and the one specified in Nevada State law as the one to use if no Parliamentary procedure rule has been implemented, under Conduct of Business in Boards, states (enclosed):

The executive board of an organized society operates under the society's bylaws...Such a board may adopt its own special rules of order...A board that is not a part of a society can adopt its'



own rules provided they do not conflict with anything in the legal instrument under which the board is constituted.

Questions Presented

1. Whether the parliamentary procedure adopted by ACHOA is appropriate under Nevada law, and in light of the Amendment

Based upon the foregoing, there is ample authority under Nevada law, under both Chapter 116 and Roberts Rules of Order, that allows the ACHOA to adopt its own parliamentary procedure. That is, both Roberts Rules of Order and NRS 116.3109(4) unequivocally allow an Association to adopt its own rules of order. Other provisions of Chapter 116 as iterated above echo Section 2.05 of the Bylaws for ACHOA and delineate that the Association may adopt its own parliamentary procedure, which the ACHOA has done, and which comply with Nevada law.

The Amendment in question by its own language provides that “meetings of the Association shall be conducted in accordance with the procedural rules specified in the most current edition of Roberts Rules Of Order” **unless provided otherwise in the Bylaws**. That is, the Bylaws **otherwise** provide that the Board is not obligated to follow any technical, formal or parliamentary rules or principles of procedure. However, even if we read the conflicting language in the Amendment to dictate that Robert’s Rules must be followed, the current edition of Roberts Rules of Order unequivocally provides that the Board may adopt its own rules of order. *See page 486, supra*. While it is debatable whether such Amendment is even enforceable because it was not recorded and may not have been disclosed during escrow to any Owner as specifically required by NRS Chapter 116, even under the plain language of the Amendment, the Board may adopt its own rules of order in compliance with Robert’s Rules of Order.

Accordingly, the parliamentary procedure adopted by ACHOA is appropriate and compliant with Nevada law.

As always, please do not hesitate to contact us if you have any questions.

Respectfully,

MADDOX, SEGERBLOM, AND CANEPA, LLP

/s/ Eva G. Segerblom

Eva G. Segerblom, Esq.

Enc: as stated



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 Any board can appoint committees of the kind just described
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Conduct of Business in Boards

GENERAL PROCEDURE. The executive board of an
 organized society operates under the society's bylaws, the so-
 15 ciety's parliamentary authority, and any special rules of order
 or standing rules of the society which may be applicable to it.
 Such a board may adopt its own special rules of order or
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 maximum penalty which may be imposed upon a disorderly
 member of the board is that he be required to leave the meet-
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Under the general parliamentary law, business is trans-
 30 acted in large boards according to the same rules of procedure
 as in other deliberative assemblies. In smaller boards, these
 rules apply as far as practicable, with the exceptions noted
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meetings (pp. 93-94)—and at which a quorum (a majority
 of the total membership unless otherwise specified in the by-
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A record of the board's proceedings should be kept by
 the secretary, just as in any other assembly; these minutes are
 accessible only to the members of the board unless the board
 15 grants permission to a member of the society to inspect them,
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At regular board meetings the executive committee, if
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PROCEDURE IN SMALL BOARDS. In a board
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March 3, 2015

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