



May 4, 2026

The Sunland Case – What Do We Do Now?

As you know, the Arizona Court of Appeals recently ruled¹ that:

- Community associations are prohibited from voting or taking formal action in closed meetings.
- Boards may still discuss and consider matters that are protected by statute.
- Closed meeting minutes should not record votes or formal actions.
- The board or a delegated board member, named in the minutes, must set the agenda for closed meetings.
- The agenda for both open and closed meetings must provide information that reasonably advises the members about the items being addressed.

Because association boards cannot vote or take formal action in closed meetings, associations are left with the following options or combination thereof, each with advantages and disadvantages:

1. Disclose Sensitive Information in Open Meeting.

The first option is for the board to minimize the use of closed meetings by discussing and taking all actions in open meetings, regardless of whether sensitive personal/financial information is disclosed. (Legal advice would still need to be discussed in executive session.) The advantage of this option is simplicity and transparency. The disadvantage is the disclosure of sensitive information that the Association is otherwise entitled to withhold, including information that many owners consider private. Once started, this option will be difficult to roll back.

2. Vote in Open Meeting But Screen Sensitive Information.

The second option is for the board to discuss sensitive matters in closed meetings but to vote on these matters in open meetings without disclosing the identity of the owners or lots/units at issue. The advantage of this option is that it attempts to protect sensitive information in open meetings – e.g., assigning random identifiers to lots/units such as “Lot A” or “Unit B”. The disadvantage is that the Court of Appeals did not provide any guidance on how much detail a board must disclose in open meeting before allowing members to speak.

¹ *AZNH Revocable Trust v. Sunland Springs Village Homeowners Association* (Div. 1, April 28, 2026).

3. If Bylaws Permit, Delegate Authority to Act to an Officer.

The third option, *if permitted under the association's bylaws*, is for the board to delegate its authority to take certain actions to an officer. Such delegation must take place in an open meeting. For example, the board could delegate its authority to enforce the community documents to the president or its authority to collect and enforce payment of assessments to the treasurer. The advantage of this option is that it streamlines decision-making by removing the need for a vote and avoids the risk of disclosing confidential information an open meeting. The disadvantage is that it may not be permitted under the association's bylaws and is untested in court.

4. If Bylaws Permit, Delegate Authority to Act to a Committee.

The fourth option, *if permitted under the association's bylaws*, is for the board to delegate its authority to take certain actions to a board committee. Such delegation must take place in an open meeting. For example, the board could delegate its authority to enforce the community documents to an enforcement committee. The advantage of this option is that it streamlines decision-making and reduces the risk of disclosing confidential information. It is also supported by most bylaws. The disadvantage is that there are certain procedural rules, including open meeting rules that apply to committees.

5. Use Unanimous Written Consent.

The fifth option is to take action without a meeting by use of unanimous consent pursuant to the Arizona Nonprofit Corporation Act. This requires that all directors agree in writing to the action and that these written consents (typically, emails) be included in the minutes filed with the corporate records. The advantage of this option is that it avoids any meeting. The disadvantage is that, by allowing the board as a whole to vote on matters without conducting a meeting, it appears inconsistent with the open meeting law applicable to community associations.

If you would like to discuss which of the above options, or combination thereof, is best suited for your community, please call Jessica Maceyko or Quentin Phillips at 602-560-2410.

The information contained herein is for general informational purposes only and does not constitute legal advice or create an attorney-client relationship. We do not recommend selecting an option without consulting qualified legal counsel. Again, each option has advantages and disadvantages and may not be appropriate for your association or consistent with your governing documents.