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October 27, 2021

VIA E-MAIL

AFinner@wearevision.com

Members of the Artesa Community Association, Inc.
c/o Vision Community Management

Re: ***Director Positions to be Elected at 2021 Annual Meeting***

Dear Members:

We are the attorneys that represent the interests of the nonprofit corporation that is the Artesa Community Association, Inc. (“Association”). Please understand that this law firm only represents the corporate entity that is the Association, and we do not represent its directors, its 177 members, or the Association’s management company Vision Community Management. This law firm’s sole ethical duty is to ensure that the Association complies with Arizona law and the Association’s Governing Documents. With that said, this letter will address the recent concerns regarding the 2021 Election.

We have been informed that the Association failed to obtain a quorum at its 2020 Annual Meeting. As a result, there were no new Directors elected in 2020. After a review of the Association’s Bylaws and the Arizona Non-Profit Corporation Act - there are only two director positions up for election at the 2021 Annual Meeting and these two director positions were the positions elected in 2018.

To begin with, the failure to achieve a quorum for an election is the fault of the Members, not the Association. If the Association attempted to hold its Annual Meeting, but no business was conducted because quorum was not met, the Association met its duty under Arizona law. The duty has been met because the meeting was held, but there was no action taken at it because a lack of quorum. This is consistent with *Article II, Section 2 of the Association’s Bylaws*.

As you know, the Board has five Director positions with staggered terms of three years. *See Article III, Section 2 of the Bylaws*. Elections of these positions are set annually with two positions (2020), then two positions (2021), and then one position (2022) up for election. It is our understanding that there were two Director positions up for election at the 2020 Annual Meeting.

According to Arizona law, a director's term continues until the director's successor is elected or appointed. Specifically, A.R.S. §10-3805(E) provides:

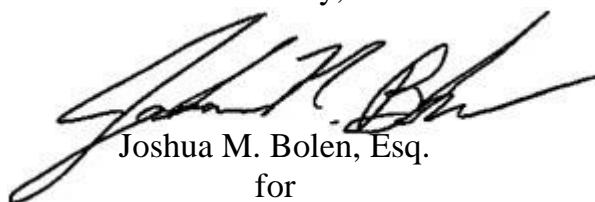
Despite the expiration of the director's term, a director shall continue to hold office until the director's successor is elected, designated or appointed and qualifies, until the director's resignation or removal or until there is a decrease in the number of directors.

This means that although two Directors' three year terms expired in 2020, those two Directors remained directors until their successors are elected, or they resign or are removed. No successors were elected in 2020. Therefore, because the Bylaws require staggered three year terms, and there is no language in the Bylaws requiring an earlier election of these Directors' positions, these two Directors position will not be up for election again until 2023.

In addition, if one or both of these Directors resign, the remainder of the Board will then have to appoint new Directors to fill any vacancy. If this occurs, pursuant to *Article III, Section 6 of the Bylaws*, "Any person so elected or appointed shall serve the unexpired portion of the prior director's term." If this is the case, the unexpired portion of the term would be the remaining portion of that three-year term.

We hope this opinion has been helpful in clarifying this complex issue.

Sincerely,



Joshua M. Bolen, Esq.
for

CARPENTER, HAZLEWOOD, DELGADO & BOLEN, LLP