

## **VOTING PROCEDURES. ARIZONA REVISED STATUE CHANGES:**

In August of 2005, the State of Arizona changed its laws concerning community association voting from proxy to an absentee ballot using a ballot, the association shall provide for votes to be cast in person and by absentee ballot and may provide for voting by some other form of delivery. In summary, the ballot will set forth the proposed action; provide an opportunity to vote for or against an action; is valid for one election and expires after the election; specifies time and date to be delivered and returned; does not authorize another person to cast votes on behalf of the member; and are valid for establishing the purpose of a quorum.

## **A FEW ARIZONA REVISED STATUTES ON MEMBERSHIP AND DIRECTORSHIP:**

A.R.S. Title 10. Corporations and Associations, Chapter 29, Article 2. Members and Membership - Nonprofit corporations, Types of Memberships-Members' Rights and Obligations:

### **10-3612. Member's liability to third parties:**

A member of a corporation is not personally liable for the acts, debts, liabilities or obligations of the corporation.

### **10-3613. Member's liability for dues, assessments and fees:**

- A. A member may become liable to the corporation for dues, assessments and fees. A provision of the articles of incorporation, a provision of the bylaws or a resolution adopted by the board authorizing or imposing dues, assessments or fees does not, of itself, create liability for dues assessments or fees. An express or implied agreement, consent or acquiescence by the member is necessary to create liability for dues, assessments or fees. A member is deemed to have agreed to the liability if there exists at the time the member becomes a member. A provision of the articles of incorporation, a provision of the bylaws, a provision of the declaration of a condominium or a planned community or a resolution adopted by the board authorizing or imposing dues, assessments or fees.
- B. A home buyer may implicitly consent to liability for dues, assessments and fees.
- C. Unless the provision authorizing dues expressly limits the amount of the dues, the amount and the member's liability are subject to increase or decrease.

A.R.S. Title 10, Corporations and Associations, Chapter 8, Article 3, Directors and Officers Standards of Conduct:

**10-830. General standards for directors; presumption** (also see Chapter 31, Article 3, 10-3830).

- A. A director's duties, including duties as a member of a committee, shall be discharged:
  - 1. In good faith
  - 2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances.
  - 3. In a manner the director reasonably believes to be in the best interests of the corporation.
- B. In discharging duties, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by any of the following:
  - 1. One or more officers or employees of the corporation whom the director reasonably believes are reliable and competent in the matters presented.
  - 2. Legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence.
  - 3. A committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.
- C. A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection B unwarranted.
- D. A director is not liable for any action taken as a director or any failure to take any action if the director's duties were performed in compliance with this section. In any proceeding commenced under this section or any other provision of this chapter, a director has all the defenses and presumptions ordinarily available to a director. A director is presumed in all cases to have acted, failed to act or otherwise discharged such director's duties in accordance with subsection A. The burden is on the party challenging a director's action, failure to act or otherwise discharge of duties to establish by clear and convincing evidence facts rebutting the presumption.

## CURRENT STATUS OF OFFICERS AND BOARD OF DIRECTORS:

In March of 2008, four Board members were elected, serving as President, Vice-President, Secretary and Treasurer, according to Arizona law.

Concerning Officers and Directors election, our current Bylaws, dated March 14, 1990, *in summary*, provide for the following in the particular text:

### Article VI, Board of Directors

1. The corporate powers of the Association are vested in, and shall be exercised by the Board consisting of not less than three (3) or more than ten (10) owners as may be determined from time to time by a vote of the membership.

\* \* \*

4. At each annual meeting of the members, the members shall elect the Board for the forthcoming year.
5. Directors shall serve a term of one (1) year or until their respective successors are elected or until their death, resignation or removal, whichever is the earlier. Vacancies on the Board shall be filled by a majority vote of the remaining Directors though less than a quorum and each Director so elected shall hold office until his successor is elected by the members.

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To appoint and remove all officers of the Association as it sees fit:

### Article IX, Officers.

1. The Officers of the Association shall be members of the Association and shall consist of a President, Vice President, Secretary and Treasurer. If a member is a partnership, corporation or other legal entity under Arizona law, then the member's employees shall qualify to be Officers. The Association may also have, at the discretion of the Board, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of paragraph 3 following. One person may hold two or more offices, except that the offices of President and Secretary shall not be held by the same person.
2. The officers of the Association, except such officers as may be appointed in accordance with the provision of paragraphs 3 and 5 following, shall be chosen annually by the Board and each shall hold his office until he shall resign or be removed or otherwise-disqualified to serve, or his successor be elected and qualified.
3. The Board may appoint, and may empower the President to appoint, such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided for in these By-laws or as the Board may from time to time determine.
4. Any officer may be removed, either with or without cause, by the Board or by any officer upon whom such power of removal may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board. Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later times specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective
5. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

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6. The President shall be elected by the Board from among the Directors. He/she shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. . .
7. The Vice President shall be elected by the Board from among the Directors. . .
8. The Secretary need not be a Director, but shall be elected by the Board of Directors. . .
9. The Treasurer need not be a Director, but shall be elected by the Board of Directors . . .

Quoted/referenced material can be found at:

<https://www.azleg.gov/arsDetail/?title=10>