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Sent Via First-Class Mail

Members
Copper Canyon Ranches Property Owners Association, Inc.

Re: Appointment of Directors to Board

Dear Members:

This law firm represents Copper Canyon Ranches Property Owners Association Inc. ("Association"). The Association asked that we contact you regarding concerns you recently raised about the Board's authority to appoint additional Members to serve as Directors on the Association's Board of Directors. The elected Directors acted within their authority to appoint Members to fill the vacancies on the Board and did not violate the Bylaws.

As you are aware, the Bylaws state that the Board should consist of not less than three nor more than ten Directors (Article VI, Section 1 of the Bylaws). That Section also notes that the size of the Board is determined by a vote of the Members. It is my understanding that there has not been a vote of the Members to reduce the number of Directors to a number less than 10.

At the 2020 Annual Meeting, the Members voted as outlined in the Bylaws to elect Members to serve on the Board. At the time of the Annual Meeting, there were only 8 individuals on the ballot for the election, and all 8 individuals were elected to serve on the Board. Thereafter, one individual immediately resigned upon being elected, leaving 7 Directors. Because the size of the Board per the Bylaws is 10, that left 3 vacant positions on the Board.

Article VI, Paragraph 5 of the Bylaws states that vacancies must be filled by a majority of the remaining Directors. Such appointment does not require the vote of the Members and is authorized by the Bylaws. Indeed, the Bylaws require the remaining Directors to appoint individuals to fill the vacancies ("vacancies shall be filled by a majority of the remaining Directors."). Based on that authority, a majority of the 7 Directors appointed three additional individuals to serve as Directors to satisfy the requirement that the Board have 10 members.

I sincerely appreciate your attention to this matter.

Very truly yours,
GOODMAN HOLMGREN LAW GROUP, L.L.P.


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For the Firm