

**BYLAWS
of
Verde Village Property Owners Association**

THESE BYLAWS outline what is involved for the Association to function, and incorporate key terms to safeguard its continued operation amidst dwindling membership and reduced volunteer participation.

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Appendices: A, B, C, F, L, M, P, R, T, V

Article 1 – **Name and Address**

Section 1. The name of the Association is Verde Village Property Owners’ Association, a/k/a VVPOA. The Association may use the trade name of Verde Village Community Connection, a/k/a VVCC.

Section 2. The Association’s address is 4855 E. Broken Saddle Drive, Cottonwood, Arizona 86326 which is the location of the Community Center, which includes the Community Hall, the pool, and the historic Ranch House which has an adjacent apartment (collectively the “Community Center”).

Article 2 – Definitions

Section 1. In addition to other terms defined in these Bylaws and for the purpose of these Bylaws, the following terms shall have the meanings set forth below:

“Act” means the Arizona nonprofit corporation act.

“Annual Meeting” means the meeting of Members held once a year at a set time and place. Also known as a regular meeting of Members.

“Association” means this Verde Village Property Owners’ Association.

“Board” means the Board of Directors, including Officers, who are all vested with the governance of the Association as set forth herein.

“Body” means either the Board or the Executive Committee depending on the context.

“Executives” means, in the plural form, the Executive Committee (see Officers below.)

“General Meeting” means a meeting of the Members and includes an Annual Meeting (which is a regular meeting) and may be a Special Meeting.

“Majority Vote” means a simple majority of persons entitled to vote and included in the quorum determined for the meeting during which the vote was counted. Unless otherwise specified, all action by a Body shall be authorized by Majority Vote.

“Member” means a natural person (i.e. living human being) who has contributed to the Association in the manner set forth herein or as recognized by the Board. Includes all classes of Members. (see Art 4)

“Officer” means a member of the Executive Committee and this term is used to help differentiate from the plural form ‘Executives’ which has its own meaning: the Body known as the Executive Committee.

“Quorum” means the minimum number of people who must be present, in person or virtually, in a meeting to conduct Association business. The quorum is different for meetings of Directors, Officers and Members as set forth below.

“Regular Meeting” means a meeting that is scheduled to regularly occur on a preset time and predetermined place, such as an Annual Meeting.

“Special Meeting” means: 1) a meeting of Members, other than a Regular Meeting, called by the Members or Directors for a particular purpose using the procedure as set forth herein (Art 5), or, 2) a meeting of the Board, other than a Regular Meeting, called for a particular purpose using the procedure as set forth in Article 10. A Special Meeting requires prior Notice.

“Verde Village” means the unincorporated geographic area located south and southeast of Cottonwood, Arizona, as shown in Yavapai county records, that includes Units 1-8, and, except for the purpose of defining Legacy Members, areas outside those Units as determined by the Board.

Article 3 – Purpose

Section 1. The Association has the responsibility to steward the property and goodwill of the Association and, under certain circumstances, can be a voice and central contact for the residents and property owners of the unincorporated community known as Verde Village.

Section 2. The mission of the Association is to build community among the residents of Verde Village.

Section 3. The Association will use reasonable efforts to inform and engage the Verde Village community regarding matters of common interest, as well as, manage and maintain the property owned by the Association for the benefit of the Verde Village community, all as resources allow.

Article 4 – Members and Voting Procedures

Section 1. The Association has two classes of Members, Legacy Members and Regular Members. Both types of Members may vote on all matters brought to the Members for a vote except only Legacy Members may vote to transfer title to the Community Center property as set forth in Section 7 below. Only one vote is allowed per parcel, as shown in the Yavapai county records, and that vote may be cast by anyone representing the parcel so long as the parcel’s address is shown on the Membership roster. Only one vote is allowed per membership. After providing valid identification and contact information, including a phone number and email address, Members may vote for so long as they meet the voting criteria such as: 1) membership dues are current, and 2) that Member is a valid Member on the Record Date. Additional criteria apply for votes put to Legacy Members (sec 7).

Section 2. Record Date means the date, just prior to a specific meeting of Members, that the Association determines the identity of all the Members entitled to vote with respect to that meeting being held to vote on a particular matter. Generally, the record date for determining members entitled to notice of and to vote at an annual, regular or special members' meeting is the day before the effective date of the first notice to the Members. In practice, the Board shall fix the Record Date under the following criteria. First, the date of the meeting during which the vote of Members will be held shall be determined by the Board (“Meeting Date”). Second, the Board will decide what date, just prior to the Meeting Date, that the Board can determine the identity of all Members eligible to vote. Third, the record date should be fixed as close to the Meeting Date as possible so that the voting roster is as accurate as possible considering the time and effort involved in reviewing membership records. If no Record Date has been fixed, or Legacy status is undetermined, a Member may vote on the Meeting Date if they are otherwise entitled to vote on the Meeting Date and the proper status determined later within a reasonable time.

Section 3. Residents and property owners within the boundaries of Verde Village, as determined by the Board, are eligible to be Members, as well as, persons allowed by the Membership Chair, although only owners of property located in Units 1-8 can be Legacy Members.

Section 4. Current membership dues and benefits are set forth in Appendix A and may be changed by a Majority Vote of the Board of Directors in a manner and time at the Board’s sole discretion.

Section 5. With respect to voting during a Member meeting, a quorum is present when at least ten (10) percent of, or ten (10) Members eligible to vote, whichever is less, are present at that meeting. No

Member can be forced to vote, yet their presence will still count toward the number needed for a quorum if that Member meets the eligibility criteria for that vote. At any meeting that a vote of Members takes place, a Member may cast only one vote per issue put to a vote.

Section 6. In a meeting of Members that the agenda calls for a vote, the Secretary shall provide at the meeting a list of Members eligible to vote determined as of the record date or otherwise. Two unrelated (by household, employment or family) adults should confirm the appearance of each Member at the meeting. At the time of the vote, if a quorum is present, the President shall announce the impending vote and each Member may cast a vote for the matter or against the matter, or abstain by voting “present.” After the vote, the Secretary shall confirm a quorum existed at the meeting, that the proper Member vetting and vote counting processes were followed, then tabulate and confirm the result.

Section 7. A decision to transfer fee simple title to the Community Center (parcel 406-47-455A) must be approved by a Majority Vote of Legacy Members in a meeting held after proper Notice that identifies the terms of the proposed transaction. A Legacy Member is a Member who has been a Member for more than one year as shown by Association records and who is an owner of real property in Verde Village, Units 1-8 as shown by the county records.

Section 8. The Board may determine a process for virtual voting.

Section 9. The Board may determine a process for Members to vote by proxy.

Section 10. The Association does not provide notice via US mail and uses email and the internet to communicate with Members. Members agree that if a Member does not timely provide a valid email address to the Association, then that Member waives notice of meetings and votes, and must check social media, local newspapers, the Association’s website and signs posted on Association property to stay informed of Association activities.

Article 5 – Meetings of Members

Section 1. The Association shall conduct an Annual Meeting of Members (which is also a regular meeting of Members), and may conduct general meetings of Members as set by the Board using the procedure for a Special Meeting if the meeting is not established as a regular meeting. The month and place of the Annual Meeting is set forth in Appendix M; the time and date will be set forth in the Notice of the meeting. Nominations by Members concerning a candidate for any Association office can be made from the floor at any meeting of Members. During the Annual Meeting, the President will present a report on the state of the Association and the Treasurer will report on the financial condition of the Association. The Executive Committee may cancel any meeting.

Section 2. In addition to, or instead of, a Regular Meeting of Members which is held at a time and place set forth in Appendix M, the Directors may call a general meeting of Members, which will be held if approved by a Majority Vote of Directors and comports to the procedure for a Special Meeting of Members. Upon approval of the general meeting, the Directors will set the date, time and place of the meeting, determine how and when to provide notice to Members, and set the record date if a vote is to be held.

Section 3. Notice of meetings of the Members (Annual, Regular or Special) must be sent to Members of record at least ten (10) days and not more than sixty (60) days prior to the scheduled date of the meeting. Notice of Special Meetings of Members must include a description of the purpose of the meeting, and if the purpose is a vote to amend the Articles of Incorporation, the notice shall include a summary of the proposed changes or the actual proposed changes. If allowed by the presiding official at the meeting, the Association may conduct business outside and in addition to the purpose of the meeting as set forth in the notice of the meeting, except voting on matters that require specific notice.

Section 4. Any Member may petition a Director or Officer to hold a meeting of Members, and the Board shall consider that request during the next meeting. The Association must hold a Special Meeting if the holders of at least ten (10) percent of the voting power sign, date and deliver to any Officer a written demand for the meeting describing the purpose for which it is to be held.

Article 6 – Governance Structure; Executive Committee

Section 1. The Articles of Incorporation allows the Association to have a Board consisting of between four (4) and twenty-one (21) Directors which may include one or more Officers of the Executive Committee if they are Directors as well as Officers. From time to time, the Executives will determine the number of Board seats that should be filled by a Director (which may be a number from 4 to 21), maintain an accurate list of active Directors, when their term ends and show if a vacancy exists. An active Director is a Director occupying a valid seat on the Board (as shown by the Executives' list) and who has not been removed by the Board or otherwise disqualified (sec 7). All Directors may have one vote on matters brought before the Board concerning governance of the Association. Directors may oversee, as chair, an area identified by the Executives or the Board that may or may not be enumerated herein (i.e. Art. 9 or App. C). A former Officer may become a Director and vice versa.

Section 2. The Executive Committee ("Executives") acts collectively as a Body, or individually within an Officer's domain, to effectuate the business of the Association. The Officers consist of a President, a Vice President, a Treasurer and a Secretary, all of whom must meet the criteria of a Director (Art 7). Each Officer has one vote on the Executive Committee, notwithstanding his or her status as a Director, Acting or otherwise (see a & b below). Each Officer has authority to conduct matters within that Officer's domain, described below. As permitted by the Act and allowed by the Articles, the Executives may exercise the same authority as the Board under circumstances and procedures set forth in section 4 below and in Article 13.

- a) The President shall be the chief officer of the Association with general supervision over the Association's affairs to pursue and execute the policies and strategy set by the Board. The President presides over all meetings. The President may decide routine matters normally in the course of Association business, after consultation with appropriate Officers or Directors when a decision foreseeably and materially affects their domain. The President may act for any Officer who is unavailable. After becoming familiar with the matters under the purview of a particular Director, the President may act in place of that Director if a vacancy exists (as an "Acting Director") on the Board, or if a Director is unavailable at a meeting or a vote, and decide matters concerning the domain that would otherwise be under the authority of the absent Director.
- b) The Vice President may act for the President, as President *pro tem*, when the President is temporarily unavailable or needs help, and may act and report to the Board in place of any Director (as an Acting Director), if needed. If the office of President becomes vacant for any

reason prior to the natural expiration of the term, the Vice President will succeed to the presidency for the remainder of that term, unless the Board appoints a new President at or before the time the Presidency becomes vacant. That appointment must designate the duration of the term of office.

- c) The Treasurer's domain includes the following: 1) receive, deposit and account for all funds belonging to the Association; 2) pay bills and disburse funds according to polices approved by the Board; 3) maintain accurate financial records and statements; 4) provide a financial report of the status of the Association at each monthly meeting, as well as, periodic reports of the Association's finances as needed; 5) monitor financial requirements of the Association's nonprofit status; 6) timely file financial reports with the Arizona Corporation Commission and the Internal Revenue Service, unless otherwise decided by the Executives; 7) create a budget; 8) preside over the Finance Committee, and; 9) inform the Board of the Association's financial condition. The Treasurer may act for the Secretary if needed.
- d) The Secretary shall generally be the custodian of Association records, both electronic and in paper form, and specifically shall: 1) keep minutes of all Association and Board meetings; 2) maintain the Member email list; 3) maintain the list of Director or Officer seats that may be (or are) filled, 4) maintain the list of volunteers, 5) file official Association documents with the Arizona Corporation Commission, such as changes to Directors or Bylaws, unless otherwise decided by the Executives and, 6) perform other functions related to the Association's records as directed by the President or the Board.

Section 3. If an Officer decides to commit the Association's financial resources outside of the approved budget, it must be within the preset authority established by the Board set forth in Appendix B, unless the Officer obtains authorization from the Board.

Section 4. The Executives, in their sole discretion, may act with the authority, and in place of the Board in circumstances that make it impracticable for the Board to timely act as determined by the Executives, such as in an emergency, so long as the action conforms to the Articles of Incorporation. The Secretary shall record any such action.

Section 5. Generally, elected candidates for a seat serve a term of 2 years; at the end of which term a new election for that seat should be held. A mere amendment to the Bylaws in itself does not affect the terms of Directors or Officers in place at the time the changes are adopted, but a change in a Director being able to vote or not requires ratification by the Board. Open seats can be filled at any time a vacancy exists as shown by the list maintained and determined by the Executives.

Section 6. A Director or Officer may resign by written Notice to any other Director or Officer, and the resignation will become effective at the time written notice was received unless the resignation notice sets a later date.

Section 7. A Director or Officer may be removed prematurely from office by a two-thirds vote (2/3) of the full Board and no liability shall accrue for doing so. If a Director or Officer misses three (3) consecutive Board meetings without an excuse acceptable to the President, that will trigger a vote by the Board about the status of that Director or Officer. Anyone removed from office should be notified by the Secretary that their tenure has ended.

Section 8. Directors and Officers should comply with the Association's organizing documents including the Articles of Incorporation and these Bylaws. Directors and Officers should review the statutes in Title

10 of the Act enumerating standards of conduct to avoid liability (10-3830 & 3842). Nothing in these Bylaws can be used to impose liability on a person for acting or failing to act.

Section 9. Prior to any vote on a matter, a Director or Officer who believes they may have a conflict of interest regarding that matter, should disclose the existence and nature of the conflicting interest to the Body during deliberations and abstain from voting on that matter unless the Body decides the potential conflict of interest is not significant.

Section 10. Directors and Officers are expected to act with honesty and integrity when representing the Association and protect the confidentiality of sensitive information.

Article 7 – Directors and Voting

Section 1. Unless otherwise allowed by the Board, to be eligible for office, a Director must be: a) a Member; b) a resident or property owner in Verde Village; and, c) at least 18 years old.

Section 2. Directors may be elected by a Majority Vote of Members, or the Board by Directors who occupied seats determined just prior to the vote. Appointments for office shall be conducted as set forth in Article 8.

Section 3. To take action, the Board may vote on a matter, in person or virtually. Votes will be counted by an Officer. Each Director and each Officer, has one vote on the Board that may be cast on a matter put to a vote there. In general, any matter that significantly impacts the governance, strategic direction, finances, or legal compliance of the Association warrants a vote of the Board; action(s) to maintain the status quo does not. For more guidance see Articles 6 & 13.

Section 4. Any Officer may call for a virtual vote (which is a Special Meeting of the Board) by contacting Directors and Officers by email that sets forth the issue to be voting upon and the deadline to vote, which shall be at least forty-eight (48) hours from the time of the email. Recipients may conduct a discussion of the issue via the same email string up to the voting deadline. The person calling the vote should provide a virtual document that allows discussion and votes to be known by all. Votes may be in any form (i.e. yea, nay or abstain) so long as the intent of the vote is clear. At the deadline, the Officer who called for the virtual vote will count the votes. If the votes cast by the deadline meet a quorum (i.e. a majority of Board members) and the threshold necessary for the issue to pass (i.e. majority) then the issue is decided and the Secretary shall enter the vote in the Association records.

Section 5. Any Director may designate any other Director as a proxy for a specific vote, but only for a single meeting or a single vote, if virtual, and not consecutive meetings or virtual votes unless approved by the President. A Director may only designate a proxy a maximum of five (5) times per year. To designate a proxy, the Director may deliver evidence of his or her designated proxy in writing, which may be by email, to any Officer. The designated proxy may or may not exercise the vote allowed by the proxy. The Secretary shall record the Director who voted by proxy.

Article 8 – Elections and Appointments

Section 1. All Members, Officers and Directors are encouraged to seek candidates to become Directors or Officers and may nominate candidates in any meeting of the Members. Executives or Directors may allow nominations in their respective meetings as set forth herein. Ideally, nominations will include a method to learn about the candidate, such as a speech, handout or accommodation of voting at a later date. Generally, the Board elects Directors and Officers and the Executives determines the available seats on the Board.

Section 2. The Board shall elect the President in March of odd-numbered years for a two (2) year term. The Board may elect other Officers and/or Directors at the meeting after the election of the President if valid candidates exist, or the President may appoint candidates to an office later.

Section 3. Directors and Officers serve a term of two (2) years unless shortened (i.e. resignation or removal) or extended in the event the incumbent decides to remain in office until a successor takes the seat due to a delay in an election or if an elected candidate is unable to timely occupy the seat. If a vacancy is filled, the term should be designated at the time of appointment or election to either be completing the term of a premature departure of the predecessor or the standard 2 year term.

Section 4. In a Board meeting that the agenda calls for an election of a Director or Officer, the Secretary or presiding Officer or Director shall confirm that a quorum exists, and if so, announce the impending vote. Each Board member may cast a vote for a candidate or against the candidate, or abstain by voting “present.” After the vote, the Secretary or presiding Officer or Director will tabulate and announce the result at the meeting. For a candidate to be elected and take office, the candidate must have received a majority of affirmative votes of the number of Board members (as of the time just before the meeting) present at the meeting and Notice requirements must have been met.

Section 5. Unless all Board members who are present at a meeting consent to the election, they must receive Notice (see Article 10, section 8) of the election at least seventy-two (72) hours prior to the vote and have relevant information about a candidate.

Section 6. If a vacancy exists at any time, the Vice President, Treasurer, and Secretary may be elected by the Board by Majority Vote or appointed by the President (Sec 9 below), whichever comes first, and that newly elected or appointed Officer will assume office immediately for the duration of the vacant office term unless the election or appointment specifies a longer term, up to two (2) years. In this way, the terms to be served by any Officer may or may not correspond to the term of the President.

Section 7. For Members to elect Directors or Officers: 1) A candidate must be nominated by a Member, Director or Officer, 2) Notice must be given to Members that includes information about the candidate, 2) the Board must have failed to fill an open seat for more than thirty days and the vacancy must be detrimental to the Association as determined by the Board. Voting by Members involving candidates for an office in a Body should follow the procedure for voting as set forth in Article 4 and all of these Bylaws, unless a majority of Members reasonably believe a persistent emergency prevents it.

Section 8. If there are no Directors or Officers in office, Members may elect candidates to those offices by a Majority Vote after expending best efforts to provide at least 24 hours Notice to all Members.

Section 9. Cumulative voting (which is a method of multiplying votes and distributing them among candidates) is not allowed.

Section 10. If a vacancy exists, Directors and Officers may be appointed by the President and affirmed by the Directors at their next meeting after the President makes the appointment. After appointment by the President the appointed Director or Officer may assume the office as a Director *pro tem* or Officer *pro tem*, as appropriate, until the next meeting of the Board. In the event the Board fails to affirm the President's appointed candidate because of a failure of quorum or cancelation of a meeting, then the matter will be delayed until the next meeting. The candidate must be affirmed within three (3) months of the President's appointment or that candidate cannot continue to act in the *pro tem* role and the office will become vacant. The Secretary shall record any *pro tem* appointments and affirmations.

Section 11. Candidates elected or appointed for the first time should receive an orientation (see the Transition Plan). An Officer may conduct the orientation or the Executives may delegate it. Orientations should familiarize new Directors (or Officers) with the Association's mission, vision, values, history, programs, and goals. Meetings with stakeholders (i.e. volunteers) are encouraged.

Article 9 – Committees

Section 1. The Board may authorize a Director to create and chair a committee to manage specific domains related to the operation or an asset of the Association. The Board may create a committee to gather certain information and make recommendations to the Board on a subject. Finally, the Executives may create committees to assist any officer with possible domains such as those listed in Appendix C.

Section 2. Committees may be useful to manage the following areas:

- 1) Membership: Creates accurate membership records; Manages the membership recruitment, application, retention and renewal process, as well as, verifying eligibility criteria; Manages the same processes for sponsors (see Fundraising below); Communicates renewal notices to expired Members; Creates and Manages Member benefits such as discount programs; Manages the production and distribution of membership cards;
- 2) Fundraising: Creates accurate sponsor records; Manages sponsor recruitment, application, retention and renewal process;
- 3) Social Activities: plans and coordinates events including selecting food and entertainment, renting equipment, and setting the schedule; Organizes Association meetings.
- 4) Public Relations: creates awareness of the Association's good work by creating marketing campaigns, attending community events, creating and distributing a newsletter, updating the website, promoting events and posting on social media platforms. The Chair may, with specific permission of the Executives or Board, share the Association spokesperson role with the President;
- 5) Nature Preserve: help manage trails and signage in the Nature Preserve, opens and closes the Association's fence in the parking lot to allow traffic flow through the Community Center parking lot during a flood of the Verde River; informs the Board about the status of the area such as usage, wildlife and foliage; communicates with volunteers and users within the Nature Preserve, coordinates the maintenance of the Nature Preserve with third parties;
- 6) Pool: schedules events, controls entrance, oversees maintenance, obtains permits, supervises and trains pool monitors, maintains the chemical balance and temperature of the

- water, coordinates swimming lessons, Decides the location of, and monitors the Sponsor banners hung at the pool, informs the Board about maintenance or safety issues, Coordinates with the Social Activities committee about events at the pool;
- 7) Community Center: Coordinates facility rental, maintenance and renovations, monitors utilities, manages storage, keys to all Association assets;
 - 8) Kitchen: Ensures proper procedures for food storage, handling and preparation, verifies all personnel who are required to have licenses or certificates possess valid documents;
 - 9) Pond: Monitor water level, the pumphouse, trash, signage, foliage and fauna; coordinate events held there;
 - 10) Special Projects: Any of the above or in Appendix C, or projects related to the Association's real property and improvements.

Section 3. The Community Center and Kitchen Committees shall endeavor to seek qualified volunteers for the kitchen who possess certificates from the Yavapai County Community Health Services, and shall interact with any public health inspector.

Section 4. A committee chair may recruit and manage volunteers to assist that committee accomplish tasks.

Article 10 – Notice, Meetings of Directors, Executives and Voting

Section 1. Directors shall conduct regular Board meetings that include Directors and all Officers at least monthly at a date, time and place set forth in Appendix M, except that up to two consecutive meetings may be suspended by a Majority Vote of either Body. No Notice is required for regular meetings. Special Meetings of the Board are described in Sec 9 below.

Section 2. Directors and Officers may attend a meeting virtually.

Section 3. The Board may conduct meetings and/or hold a vote virtually. The President or another Officer, shall send an email to all Directors and Officers giving notice of the virtual meeting or vote. Discussion may occur via email, telephone, computer application, or other method that allows two-way communication. In a matter put to a vote of the Board via email, the person calling for a vote will set a specific date and hour deadline to vote on the matter (“Deadline”) which shall be between 24 and 72 hours from the date of the email calling for a vote. In a vote taken virtually, the matter put to a vote will pass at the time the number of affirmative votes exceed half the number of Directors and Officers in office at the time just prior to the vote, unless the Deadline expires first.

Section 4. With respect to Directors, a quorum shall consist of at least half of all current Board Members and Officers, as shown in the Association's records just before the meeting or a vote, and determined by the Secretary, appearing in person, virtually or counted by proxy. A Director who is aware of the vote may abstain from voting or vote “present” and still be counted toward the number required to meet a quorum.

Section 5. In the event a Member, who is not an Officer or Director, seeks to nominate a person as a candidate for Director or Officer in a Director meeting, that Body may allow the Member to appear for that purpose.

Section 6. Executives may hold a meeting at any time, place or method that they deem appropriate. If any Officer objects to an action taken by the Executives, the Secretary shall record it and the matter may be taken up by the Board, at the Board's sole discretion. A quorum for a meeting of the Executives during which a vote is conducted, is three (3) Officers or all occupied offices, if less than three.

Section 7. In the event any Director or Officer uses email for Association business it must be the email address shown in the Association records. The Secretary and the Chair of the Membership Committee shall keep the Association email list accurate.

Section 8. Notice to Members, Officers or Directors may be:

- a) Orally, in person or by telephone, with a written record held by the Secretary,
- b) by email sent to the email address as shown in Association records,
- c) text message if sent to the mobile phone number shown in Association records,
- d) by US mail, addressed either to conform with Association records or the US postal service offering known as Every Door Direct Mail (EDDM), or
- e) by the Association's newsletter sent by email addressed to conform with Association records.

Section 9. A Special Meeting of Directors may be called by the President or by 25% of the Directors then in office. Special Meetings of Directors shall be preceded by at least forty-eight (48) hours Notice of the date, time and place of the meeting, but need not describe the purpose of the meeting except Notice of elections to be held during a Director's meeting must provide at least seventy-two (72) hours prior Notice and identify the candidate(s) and the office to be filled. Notice is effective at the time it was given, sent or mailed.

Section 10. In person meetings will be conducted generally in accordance with Robert's Rules of Order as interpreted by the person presiding over the meeting. Minutes of past meetings and reports to be presented during the meeting may be sent to Board members at least twenty-four (24) hours prior to the meeting for review to expedite the approval of the report, if approval is necessary. Minutes of past meetings, and final reports of the Treasurer or a committee making recommendations to the Board, must be approved by the Board.

Section 11. A past Officer, who held office but doesn't presently, may attend a Board meeting if invited by a Director or Officer, otherwise an attendee at a Board meeting must be approved by Majority Vote.

Article 11 – Finances and Contracts

Section 1. The Association shall use a calendar year for accounting purposes.

Section 2. The Treasurer should create an annual budget with input by Officers and Directors as the Treasurer deems appropriate. The budget approval process involves gathering financial data from the previous year and estimating revenues and expenses for the upcoming year. The Treasurer presents the proposed budget to the Board for discussion and revision in the last three Board meetings of the year, and approval at the first meeting of the year. The Board may amend the budget at any time to adapt to changed circumstances.

Section 3. The current bank used by the Association is set forth in Appendix F. Officers will follow the protocol set by the bank regarding signatories on each bank account and other matters. At least two Officers will be signatories for the Association on each bank account. The Executives may authorize a committee chair to be a signatory on a bank account. The Association's bank may issue each Officer, or committee chair, if authorized by the Executives, a credit card or debit card to be used for official business of the Association only. The Board may change the bank(s) and/or bank accounts used by the Association.

Section 4. The Treasurer will use separate bank accounts as directed by the Board to keep certain funds separate, such as grant funding.

Section 5. The Treasurer may propose an audit process for the Association's bookkeeping for the Body's approval. The Treasurer may propose procedures for credit or debit card purchases, reimbursements for purchases on behalf of the Association, debt and purchase authority and limits, approving expenditures and invoices for payment, and other accounting and money management practices.

Section 6. The Board may determine if compensation should be properly paid to any person and the amount, except that if compensation is to be paid to an Officer or Director, a Special Committee shall determine the amount as a recommendation to the Board, and that Body may accept or reject the recommendation. If the latter, the meeting minutes shall disclose the rationale followed by the Board to set the compensation at a different amount.

Section 7. Agreements regarding the legal representation of the Association by an attorney or law firm must be approved by the Board. An agreement with a person who will act as the Executive Director of the Association in a paid position must be approved by the Board.

Section 8. Unless a contract is pre-approved, any contract or other instrument in writing that binds the Association that is executed or entered into between the Association and another person requires two signatures of Officers. For the purpose of this section, the term "person" includes a legal entity such as a corporation, an LLC, partnership or the like. To pre-approve a contract, the Board must have an opportunity to review it before voting on its approval. Pre-approved contracts are listed in Appendix P.

Section 9. The Executives may set a debt limit for the Association which, if set, will appear in Appendix F. Two Officers should execute each debt instrument for funds lent to the Association up to the debt limit set forth in Appendix F.

Section 10. The President has authority to spend up to \$100 on a purchase without prior authorization, and the Executives may approve purchases up to \$250. Circumventing this limit by splitting purchases is not allowed.

Section 11. The Executives will negotiate leases for Association property and set lease and rental rates for property owned by the Association which are set forth in Appendix L.

Article 12 – Volunteers

Section 1. The Board will endeavor to adopt volunteer policies regarding recruitment, qualifications, training, management, safety, and appreciation and recognition of volunteers. The policies will be

administered by the Directors who interact with the volunteers in the Director's domain. These policies will be set forth in Appendix V.

Section 2. Each Director or Officer can communicate to volunteers the Association's expectations for their specific roles including the time commitment and tasks involved. At the time the volunteer is recruited, a Director or Officer can verify that the volunteer has the required skills or qualifications and communicate to the volunteer what the Association may provide to the volunteer, such as free entry to an event where the volunteer is working, or some other privilege. Also at that time, the volunteer can receive a writing memorializing the Association's Volunteer policies and verify an understanding of the Association's expectations from the volunteer.

Section 3. The Association's website may have an application, pre-approved by a Body, that candidates may use to submit their desire to volunteer and that application should capture information sufficient to allow the Association to screen and contact the candidate and determine what the volunteer expects from becoming a volunteer.

Section 4. All forms used for volunteers shall reflect the policies approved by the Board.

Article 13 – Powers of the Executive Committee

Section 1. In addition to the domains described for each Officer set forth in Article 6, each Officer has the powers set forth in this Article to act in his or her discretion without seeking prior Board approval, so long as it is within the budget approved by the Board and the restrictions set forth in these Bylaws. These Bylaws are informational with respect to describing the scope of a domain and impose no liability on any person for failure to perform any act, or negligence in the performance or non-performance of any act.

Section 2. The Executives may make arrangements for routine maintenance, operation and security of the Community Center. The Executives have the power to manage the rental of these facilities. The Executives should ensure that all keys for locks to Association property, as well as, paper files and equipment, are located in a secure area accessible to authorized personnel. The Executives should take steps to help ensure proper operation of all utilities for the Community Center, including but not limited to, telephone, wifi, water, electricity, natural gas and trash service. The Executives should make arrangements to oversee the Community Center grounds and for the fence to be opened to allow cars to pass through the parking lot and then closed depending on when the Verde River flooding prevents traffic flow on Comanche Drive. The Executives may arrange for pest and weed control.

Section 3. The Executives have the power to oversee the pond located off of E. Del Rio Drive and the pumphouse at Cottonwood Ditch, to manage the trees, weeds and waterfowl, and explore how the pond may be modified in the future. The Board may approve plans to modify the Pond at their own discretion without seeking approval by Members.

Section 4. The Executives can oversee the Nature Preserve, which is approximately 34 acres along the Verde River east of Verde Village, and have the power to divest the Association of the Nature Preserve under terms the Executives deem to be appropriate. In the event the divestiture of any part or right of the Nature Preserve results in payment to the Association, those funds will be held in trust by the

Executives and only used to improve the Association's other assets, pay creditors, or the Association's debt, except as set forth herein.

Section 5. The Executives have the power to investigate opportunities to raise funds or create a revenue stream and decide matters relating to the Association's real property such as holding, developing, encumbering, placing an easement or selling it.

Section 6. The Executives will promulgate rules that apply to its properties and that are set forth in Appendix R. Those Rules can be temporarily suspended, in part or in whole, by the Executives.

Section 7. The Executives, in their sole discretion, may act with the authority, and in place of the Board in circumstances that make it impracticable for the Board to timely act as determined by the Executives, such as in an emergency or lack of enough active Directors to meet a quorum, so long as the action conforms to the Articles of Incorporation. The Secretary shall record any such action.

Section 8. Each Officer can develop and utilize a method to communicate his or her activities and needs to the other Officers and the Board.

Section 9. The Executives have the power to oversee materials distributed by, and communications from, the Association to the public or third parties portray the image of the Association and the Executives may present proposed changes to the Association's logo or motto to the Board for approval.

Section 10. The Executives may promulgate forms to be used by the Association if approved by that Body.

Section 11. Executives should designate a Statutory Agent to accept legal documents, government correspondence, and compliance paperwork on behalf of the Association, and to provide updates to the Arizona Corporation Commission as required. This person may be a Director or Officer or other person or business contractually obligated to serve the role.

Section 12. For any issue not expressly enumerated in these Bylaws, the President has the power to manage it, and if not an urgent issue, any other Officer may advise and consent.

Article 14 – Sale of Assets, Events and Fundraising

Section 1. As it has in the past, the Association may sell real property assets to raise funds. Generally, proceeds from the sale of these Association assets should be used to improve the remaining assets of the Association and pay creditors. Said proceeds to be held in trust by the Executives may be disbursed in the sole discretion of the Executives in conformance with the budget approved by the Board. In the event the Association dissolves, the proceeds of the sale of assets that are held in trust shall be disbursed according to the plan of dissolution (Article 17).

Section 2. The Association has organized several kinds of activities such as bingo games, dinners, membership drives, luaus, talent shows, easter egg hunts, and yard sales.

Section 3. The Treasurer and the appropriate Director have the power to coordinate the recruitment, application, retention and renewal process for Sponsors. Sponsors may donate to the Association or

purchase advertising from the Association in the form of banners displayed at the pool and on the Association's website. Form contracts with Sponsors are usually pre-approved by a Body.

Section 4. The Board or the Executives may select a person or entity to apply for and manage grants.

Article 15 – Governance Transition

Section 1. In any meeting of the Board or Members held between October and the following February, a Member, Officer or Director may nominate a candidate to be considered for a Director position or the office of President or another Officer if a position is vacant or expected to be vacant. In a meeting of the Board (or the Members under special circumstances set forth in Art 8 sec 6) held in March, the candidates for office can be elected and will take office on the last day of that month. Elections will be held as described above.

Section 2. Immediately after the election (or appointment, if appropriate) the incumbent holder of the relevant office (who has just been replaced) will meet with the newly elected candidate and transfer information and documents related to the position.

Section 3. In the first meeting of the year, the Treasurer will present a final financial report of the previous year and the final budget for that year. In the event a new Treasurer is to take office, the budget presented by the incumbent Treasurer will inform the budget of the new Treasurer who can modify it if directed by the Executives and present it at the earliest practicable upcoming meeting for its approval by the Board.

Section 4. If bank authorizations must transfer to a new Officer, that Officer will meet with the bank in a timely manner to complete the necessary paperwork.

Section 5. The current office holders will ensure that the newly elected candidates are informed of passwords, the location and use of keys, and the location of items used by the Association to conduct its affairs.

Section 6. In the event of a complete transition of all Officers simultaneously, the involved parties will follow the Transition Plan set forth in Appendix T.

Section 7. It's expected that the turnover of Directors will be staggered since Directors may take a seat anytime throughout a particular year, so their tenure will not terminate simultaneously.

Section 8. A change of Director or Officer prompts a need to file the new information with the Arizona Corporations Commission.

Article 16 – Amendments

Section 1. These Bylaws may be amended by a Majority Vote of the Board.

Section 2. To amend these Bylaws, a Director or Officer may propose an amendment and the Board will immediately determine by Majority Vote if the change(s) are major or minor. For minor changes, the

Board may approve the change by Majority Vote after deliberation in the same meeting the (minor) change or changes were proposed. A change to an Appendix is a minor change. If the change is major, the Executives shall utilize a Governance Committee to draft amendments for the Board to review and approve. The Officer who chairs the Governance Committee shall inform the Board, by any reasonable means, of the amendment process timeline, showing the date a draft of amended Bylaws can be made available to the Board for review, and the probable future meeting during which the amendments, as approved by the Executives for a vote by the Board, can be presented to the Board for a vote after reasonable Notice to the Directors.

Section 3. The Articles of Incorporation can be amended by the Members as set forth in the Act. Amending the Articles of Incorporation require Notice to the Members of the proposed changes all as specified in the Act.

Article 17 – Dissolution

Section 1. The Board shall determine if the Association should dissolve. To make that determination, the Board can:

- 1) assess the Association’s financial health in general, its future prospects for revenue and upcoming expenses;
- 2) evaluate whether the Association remains relevant to the Verde Village, including whether the Association is making a measurable and meaningful impact in the community;
- 3) determine the ability to attract volunteers, officers and directors to staff the Association or if there are substantial impediments or conflicts that make governance too difficult to continue operations;
- 4) review the condition of the Association’s assets and the expectation that the Association can maintain them in acceptable condition;
- 5) Engage the Verde Village community to determine how residents and property owners view the loss of the Association.

Section 2. In the event a Director makes a proper motion during a Board meeting that the Association should dissolve, the Board may approve the motion with a Majority Vote. A proper motion must be accompanied by a written plan of dissolution that describes what will be done with the Association’s assets and who will file the proper paperwork with the Arizona Corporations Commission and meet the other requirements of dissolution under the Act. Prior to a vote on the motion, the Board may make any modification it deems necessary to the plan, and the final version will be the plan that is approved if the Board adopts the motion. The plan must indicate how the assets of the Association, or the proceeds of a sale of assets, will be distributed after all creditors, filing fees and taxes have been paid. The Secretary shall memorialize in the Association’s records, the proceedings concerning the determination of dissolution.

Section 3. If the Board is unable to authorize dissolution by failure to hold a vote, and the Association is insolvent, a court may dissolve the Association in a proceeding brought by a Director or Officer or Members totaling at least 25% of the Association’s Members and as otherwise set forth in the Act.

Section 4. Distribution of the Association’s assets that remain after all creditors have been paid may be to Legacy Members.

Section 5. At any time prior to, or during the process of, dissolution, the Board may approve, by majority vote, the sale of any, all or substantially all of Association assets either in the course of business or other than in the usual course of its regular activities.

Appendix A – Membership Dues and Benefits

Section 1. Current Membership dues are \$60/yr.

Section 2. Member benefits are set forth in the Association’s website.

Appendix B - Budget

Section 1. The approved budget can be found in the Treasurer’s file.

Section 2. Officers have the authority to spend up to \$100 on a purchase without obtaining prior authorization from the Board, unless an emergency exists.

Appendix C – Possible Areas for Committees

- 1) Website/Technology Management
- 2) Collaboration software
- 3) Property rental
- 4) Grants
- 5) Insurance
- 6) Maintenance of Association property
- 7) Volunteers/ recruitment/ outreach
- 8) Highway cleanup
- 9) Member discount program
- 10) Sponsors that provide support to the Association
- 11) Annexation
- 12) Sewer or utilities
- 13) Legal Compliance
- 14) Inquiry management
- 15) Finance
- 16) Information Systems
- 17) Governance

Appendix F - Finance

Section 1. The bank used by the Association is OneAZ Credit Union.

Section 2. The Association maintains a primary checking account and savings account, and may have other designated accounts which are used to segregate certain funds from the main body of

cash assets (e.g., for grants received, capital improvement projects, subunits of the Association such as the Pool, etc.).

Section 3. The debt limit for the Association is \$100,000.

Appendix L – Lease Rates and Security Deposits

Section 1. The monthly lease rate and the amount of the security deposit for the Apartment is set by the Executives on a case-by-case basis.

Section 2. The rental rate for the Community Hall (and kitchen which is available as an add-on to renting the Community Hall), Pool, operational hours, cleaning fee and security deposit(s) are all set by the Executives.

Section 5. The rate for 2'x4' banners displayed at the pool is \$250/yr. unless changed by the Executives.

Appendix M - Meetings

Section 1. The month of the annual meeting is March and will be held at the Community Center.

Section 2. The Board shall hold meetings each month on the day, time and place set by the Board. Any change to the day, time or place requires at least 48 hours Notice.

Appendix P – Pre-Approved Contracts

Section 1. The lease form for the Apartment.

Section 2. The Letter of Understanding for Guests to park their RV on Community Center property.

Section 3. Sponsor contract.

Appendix R - Rules

Section 1. Rules for the Nature Preserve and Pond

- 1) The Nature Preserve and Pond are open for public access by Guests from dusk to dawn.
- 2) No camping or campfires are allowed.
- 3) The county lease law applies.
- 4) Children under the age of 16 must be accompanied by an adult.
- 5) Wildlife must not be disturbed.
- 6) No structures can be erected or equipment placed within the boundaries of the Nature Preserve.

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- 7) Guests must not disturb the natural area by planting seeds or vegetation, digging or cutting foliage.
- 8) No motorized vehicles are allowed without permission by an Officer.
- 9) Guests must not create a nuisance to others.
- 10) By the act of entering the Nature Preserve or Pond, Guests agree they are entering at their own risk.

Section 2. Rules for the Community Center

- 1) The Community Center is only open for events approved by the Executive Committee.
- 2) Guests will not exceed the capacity allowed by the fire department.
- 3) Only service animals are allowed inside the Community Center.
- 4) No smoking is allowed inside the Community Center or on the Community Center grounds except in designated areas outside the building.
- 5) Guests shall not create a disturbance or damage property.
- 6) No furniture or equipment is allowed inside the Community Center except for that owned by the Association or approved by the Executive Committee.
- 7) Dogs on the Community Center grounds must be on a leash no longer than 12 feet and must be under the control of a person over the age of 15.
- 8) Children under the age of 16 must be accompanied by an adult.
- 9) Use of the Community Center is limited to the hours of operation 6am to 10:00 pm unless otherwise approved in advance by the Executive Committee.

Section 3. Rules for the Pool (in addition to the rules for the Community Center)

- 1) Guests entering the pool area must check in with the pool monitor on duty.
- 2) No running on the pool deck.
- 3) No diving in shallow areas.
- 4) No glass containers.
- 5) Shower before entering the pool water.
- 6) No rough play.
- 7) No lifeguard on duty, Guests use the pool at their own risk.
- 8) No food or drink in the pool water.
- 9) No urinating or spitting, please use proper facilities.

Section 2. Rules for Open Spaces and Parks owned by the Association are the same as the rules for the Nature Preserve.

Appendix T - Transition Plan

Section 1. The transition plan as created by Jeff Raible can be found in the Treasurer file.

Appendix V – Volunteers

Section 1. Unless a person is exempted by the President or Vice-President, the Association will present a commitment letter to Directors and Officers that sets forth the office to be held by the individual, the start and end date and allows the individual to affirm that he or she has read these Bylaws, understands the conflict of interest and other Association policies, and agrees to act in good faith and in the manner the individual believes to be in the best interests of the Association. The commitment letter will also inform the individual of the legal standard to meet to not be held liable for any act, or any failure to act, as a director or officer, (set forth in the Act at A.R.S. section 10-3830 and 3842 attached) and the existence or absence of an insurance policy for directors and officers.

Section 2. At the time the Association accepts a volunteer, the Association will present the volunteer with a writing that identifies the scope of their domain and the Association's expectations of them.

Section 3. Any Member, Director or Officer may recruit a volunteer for the Association. Volunteers may be accepted by any Director or Officer by verifying the volunteer has the necessary skills, and experience to act within his or her domain, and, if required, the proper certificates or licenses needed.

Section 4. Upon the acceptance of a volunteer by the Association, the volunteer will be assigned to a Director or Officer who can determine what training will benefit the volunteer while performing duties for the Association, and who can manage the volunteer with respect to performance and adherence to safety policies.

Section 5. Any Director or Officer who has interacted in a meaningful way with a volunteer regarding Association business may write a letter of recommendation for that volunteer upon request.

Section 6. Directors and Officers should communicate to volunteers: 1) that they must be aware of anything or action that may concern their safety, that volunteers are acting at their own risk and the Association does not have medical insurance; 2) that the actions of the volunteers may impact how the public feels about the Association; and, 3) volunteers are not employees or agents of the Association.

Section 7. Any Director or Officer may suggest a method for the Association to show appreciation and recognition of volunteers, that may be approved by any Body.

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