



A special meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Friday, August 10, 2018 at Santa Rita Springs Center, the Vice President being in the chair and the Secretary being present.

Directors Present: Donna Coon (Vice-President), Roger Myers (Treasurer), Nina Campfield, Carol Lambert (Assistant Secretary), Sandra Thornton, Gail Vanderhoof, Kent Blumenthal (CEO)

Directors Present Electronically: Carol Crothers (President), Lynne Chalmers, Denise Nichols (Secretary), Tom Sadowski (Assistant Treasurer), Charles Sieck, Tim Stewart

Staff: Jen Morningstar (Director of Administrative Services), Cheryl Moose (CFO), George Rushing II (Recreation Director), David Jund (Facilities Director), Karen Miars (Administrative Assistant), Randy Cheatham (IT Director), Payton Snider (System Administrator), Conal Ward (Webmaster, IT Technician)

Visitors: 85 (plus additional staff)

I. Call to Order / Establish Quorum

Vice President Coon called the meeting to order at 9:15am MST.
Roll call by Vice President Coon; Quorum established.

II. MOTION: Lambert / Seconded. I move the Board resolve itself into Committee of the Whole
Passed: 9 yes / 2 No (Sadowski, Sieck)

III. Recess Committee of the Whole (by acclamation)

Director Roger Myers joined the meeting

IV. Release of legal opinion

MOTION: Campfield / Seconded. I move the Board of Directors direct the CEO to prepare a statement based on the July 26, 2018 legal opinion that defines the following: the rules and procedures to recall directors; rules and procedures to call a special meeting of members; and determination of who would chair such a meeting.

Further, direct the CEO distribute the statement as follows:

1. Provide to GVR Board;
2. Provide to GVR Member who originally requested the information;
3. Provide to general GVR Membership; and
4. Provide to Board Affairs Committee for its recommendation on where to place the information within the Corporate Policy Manual

Call the question: Lambert / Seconded.

Passed: unanimous

Motion Passed: 8 yes / 3 no (Chalmers, Crothers, Sadowski) / 1 abstain (Sieck)

Director Tom Sadowski left the meeting

V. Reconvene in Committee of the Whole by acclimation

**VI. Motion: Lambert / Second Adjourn Committee of the Whole
By acclamation**

VII. GVR Board response to GVR Foundation Board correspondence of July 23, 2018

MOTION: Myers / Seconded. Move that President Crothers appoint an ad hoc committee of three (3) directors to accomplish the following:

- 1) Write a response to the July 23, 2018 letter received from the GVR Foundation based on the discussion and guidance of the 'Committee of the Whole' meeting, and present the proposed letter for Board approval via an email Unanimous Consent Resolution before the August 28, 2018 regular Board meeting.
- 2) Compile and provide an exhaustive, finite list of GVR Board/Member questions regarding the GVR Foundation to the GVR Board of Directors for approval.

MOTION TO AMEND: Campfield / Seconded. The ad hoc committee letter written in response to the July 23, 2018 letter received from the GVR Foundation will be presented for GVR Board approval via an email Unanimous Consent Resolution, or at the August 28, 2018 regular Board meeting, if not ready beforehand. Further, the ad hoc committee will make a 'good faith' effort to present a finite list of questions regarding the GVR Foundation at the regular GVR Board meeting on September 25, 2018, but no later than at the October 30, 2018 regular GVR Board meeting.

Motion: Vanderhoof / Seconded. Call the question

Passed: unanimous

Amendment: passed unanimous

MOTION TO AMEND: Chalmers / Seconded. I move this motion be split into two parts:

1. President Crothers appoint an ad-hoc committee of three directors to craft a response to the July 23 letter from GVR Foundation, present the letter for Board approval via Unanimous Consent or at the August 2018 meeting.
2. The ad hoc committee will make a 'good faith' effort to present a finite list of questions regarding the GVR Foundation at the regular GVR Board meeting on September 25, 2018, but no later than at the October 30, 2018 regular GVR Board meeting.

Failed: 1 yes (Chalmers) / 10 no

AMENDED MOTION: Move that President Crothers appoint an ad hoc committee of three (3) Directors to accomplish the following:

- 1) Prepare a response to the July 23, 2018 letter received from the GVR Foundation based on the discussion and guidance of the 'Committee of the Whole' meeting, and present the proposed letter for Board approval via an email Unanimous Consent Resolution before the

August 28, 2018 regular Board meeting or at the August 28, 2018 regular Board meeting, if not ready beforehand.

2) Compile and provide to the GVR Board of Directors an exhaustive, finite list of GVR Board/Member questions regarding the GVR Foundation for approval. Further, the ad hoc committee will make a 'good faith' effort to present the finite list of questions at the regular GVR Board meeting on September 25, 2018, but no later than at the October 30, 2018 regular GVR Board meeting.

Amended motion passed: 11 yes / 1 no (Chalmers)

Director Tim Stewart left the meeting

MOTION: Myers / Seconded. Do not print, publish or otherwise distribute the letter intended as a communication from the GVR Board President that was sent to the GVR Board on Thursday, August 9, 2018 written by President Carol Crothers entitled, "*President's comments for the eBlast and GVR Now*" that she intended to release in eBlast and *GVR Now!*

MOTION TO AMEND: Myers / Second. The letter written by President Crothers on August 9, 2018 shall not be published in any GVR publication or submitted to any other media outlet for publication as a communication from the GVR Board President.

Amendment passed: 5 yes / 4 no (Crothers, Sieck, Thornton, Vanderhoof)

AMENDED MOTION: The letter written by President Carol Crothers and sent to the GVR Board on Thursday, August 9, 2018 as a communication from the GVR Board President, entitled "*President's comments for the eBlast and GVR Now!*" for release in eBlast and *GVR Now!* shall not be published in any GVR publication or submitted to any other media outlet for publication.

Amended Motion passed: 5 yes / 3 no (Sieck, Thornton, Vanderhoof) / 1 abstain (Crothers)

VIII. Member Comments: 8

IX. Adjournment

MOTION: Lambert / Seconded. Meeting Adjourned at 11:58am MST.

Passed: unanimous

Denise Nichols
Secretary

Date

Jen Morningstar
Director of Administrative Services

Date



SUMMARY OVERVIEW

Removal of Officers & Directors

Removal of Officers

The removal of officers of the GVR Board of Directors is solely within the Board's purview. According to GVR Bylaws, *"Officers are elected for a term of one year or until successors are elected, or at the pleasure of the Board..."* (see Bylaws, Article VII, Section 2: Eligibility and Terms of Office).

Removal of Directors

According to Arizona statute, Directors may be removed (recalled) by a vote of members with or without cause. The *Arizona Nonprofit Corporation Act* allows members to vote on removing a director at a meeting or by written ballot.

To initiate removal of directors, Arizona statutes dictate the following:

- 1) Members holding at least ten percent (10%) of the voting power are required to sign and deliver to a corporate officer a written demand that GVR conduct a removal election. [Note: 'Voting power' refers to individual GVR member properties].
- 2) GVR may conduct the vote of members to remove directors in one of two ways:
 - a. By written ballot (electronically or otherwise).
 - b. By noticing a special meeting of members at which members would vote in person or by proxy.

Presiding Officer of a Recall Election held at a Special Meeting of Members

If a recall election were conducted at a special meeting of members, the Board President would preside over the meeting. If the Board President were a subject of the recall petition, those duties could be delegated to the most senior officer not subject to recall or to corporate legal counsel.

REPORT

GVR Board of Directors Committee of the Whole discussion and responses to GVR Foundation terms

August 10, 2018

1. Affirmation by vote of the GVR Board at an open board meeting that the list of questions submitted to the GVR Foundation is a finite list (e.g., will not be revised or changed once submitted). Each question will be read aloud at the open GVR Board meeting.
6 yes / 4 no (Chalmers, Crothers, Thornton, Vanderhoof) / 1 abstain (Sieck)
2. Attribute to its author each GVR Board question submitted to the GVR Foundation.
11 no
3. Questions posed to the GVR Foundation Board will refer only to legal or procedural matters. No individual opinions or items pertaining to personal matters will be considered.
5 yes (Campfield, Coon, Lambert, Myers, Stewart) / 6 no
4. A GVR Board officer other than the current GVR Board president will serve as liaison to the GVR Foundation Board on all matters pertaining to the submitted list of GVR Board questions and the GVR Foundation Board's response to same.
4 yes (Campfield, Coon, Lambert, Nichols) / 6 no / 1 abstain (Stewart)
5. The GVR Foundation Board and the GVR Board will jointly obtain independent legal counsel who is expert in nonprofit and foundation law to answer all legal-related questions submitted by the GVR Board.
6 yes / 5 no (Chalmers, Crothers, Myers, Thornton, Vanderhoof)
6. The GVR Board agrees to pay all legal fees associated with answering questions submitted by the GVR Board to the GVR Foundation.
6 yes / 5 no (Chalmers, Crothers, Sieck, Thornton, Vanderhoof)
7. The GVR Foundation will present answers to the list of questions submitted by the GVR Board at a regularly scheduled, open meeting of the GVR Board, whereby:
 - a. Notice of the GVR Foundation presentation will be given in advance to all GVR members and to the local Green Valley News newspaper;
7 yes / 4 no (Chalmers, Sieck, Thornton, Vanderhoof)
 - b. The GVR Foundation presentation to the GVR Board will be videotaped at GVR's expense and placed on the GVR and GVR Foundation websites;
5 yes (Campfield, Coon, Lambert, Myers, Stewart) / 6 no
 - c. The complete list of questions and answers will be published in GVR's eBlast and in the GVR Now! newsletter.
10 yes / 1 no (Chalmers)