



## **AGENDA**

### **Board Affairs Committee**

Tuesday, August 8, 2023  
1:30-3:00pm MST  
West Center Room 2 / Zoom

GVR's Mission Statement: "To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives."

**Committee:** Carol Crothers (Chair), Barbara Blake, Bart Hillyer, Ed Knop, Pat Reynolds, Dick Sutherland, Gail Vanderhoof, Jodie Walker, Marge Garneau (ex-officio), Scott Somers (CEO), Nanci Moyo (Administrative Supervisor/Liaison)

### **Agenda Topic**

- 1. Call to Order / Roll Call – Establish Quorum**
- 2. Approve Meeting Minutes:** July 11, 2023
- 3. Business**
  - a. Membership Change Fee
  - b. Bylaws (attached for Reference):
    1. Suggested Changes to Article VI, Section 2 – Authority and Indebtedness
    2. Attorney's Recommended Changes to Article XII Miscellaneous, Availability of Records
    3. Recommend Reducing Directors from 12 to nine and Discuss Process to Reduce
    4. Discussion on Qualification of Directors per Article II, Section 6.D
    5. Recommend Language from the Attorney on Voting Rights for Article II, Section 6 and Article XI – Voting Rights
    6. Address Attorney Suggestions to Comply with Arizona Nonprofit Corporation Act
    7. Discuss Next Steps for the Bylaw Process
- 4. Member Comments**
- 5. Adjournment**

**Next Meeting:** Tuesday, September 12, 2023, West Center, Room 2/Zoom, 1:30-3:00pm



## MINUTES

### Board Affairs Committee

Tuesday, July 11, 1:30pm

WC Room 2 / Zoom

**Committee:** Carol Crothers (Chair), Barbara Blake (arrived at 2:20pm), Bart Hillyer (left at 3:23pm), Ed Knop, Pat Reynolds, Dick Sutherland, Gail Vanderhoof, Jodie Walker, Marge Garneau (ex-officio), Scott Somers (CEO), Nanci Moyo (Liaison/Administrative Supervisor)

**Board Attendees:** Kathi Bachelor, Steve Gilbert

**Visitors:** 3 online

1. **Call to Order / Roll Call – Establish Quorum**  
Chair Crothers called the meeting to order at 1:30pm MST. Roll call by Nanci Moyo. Quorum established.
2. **Approve Meeting Minutes: June 12, 2023**  
**MOTION: Walker moved / Reynolds seconded to approve June 12, 2023, Meeting Minutes as presented.**  
**Passed: unanimous**
3. **Chair Comments:** There were none.
4. **Business**
  1. Fee for Changing Resident Issue  
After extensive discussion from the BAC and guest realtor, Cindy Webb, the BAC made a motion  
**MOTION: Crothers moved / Vanderhoof seconded to recommend to the Board to correct the CPM as follows: The GVR member owner of a primary residence who sells that residence and buys another primary residence within a 12 month period is entitled to a refund of the Membership Change Fee after presenting GVR with background material showing this was a change in primary residences.**  
**Passed: 6 yes / 1 no (Sutherland)**
  2. Board Affairs Committee Charge  
**MOTION: Crothers moved / Walker seconded to change the wording in the CPM Part 3 Committees: 3.2.1.G to "Forward all BAC proposed revisions of the Articles of Incorporation or Bylaws to staff for submission to legal counsel for appropriate action. Any**

**BAC approved change to the CPM which staff determines needs legal review will also be submitted. Should legal counsel recommend a revision to a governing document, it will be returned to the Committee for final review before being presented to the Board for appropriate action.”**

**Passed: unanimous**

**MOTION: Vanderhoof moved / Walker seconded to approve Section 2 Board Affairs Committee 3.1.1 and 3.1.2 as amended in 3.2.1.G.**

**Passed: unanimous**

**MOTION: Blake moved / Vanderhoof seconded to recommend to the Board for approval the removal of BAC from the Club approval process found in Part 6 GVR Programs and Clubs: Section 6.2.1.F.G.H, 6.2.2.C, and 6.2.8.A.**

**Passed: unanimous**

3. Bylaws: Top 5 or 6 Recommendations

Chair Crothers reviewed the top five Bylaw changes for the BAC to discuss. Other committee members suggested including in the top five the member definition and the number of members who receive a membership cards, and a Board Director must reside within the GVR Boundaries. Staff suggested the substantive changes from the Attorney to comply with Arizona Statutes should be included in the top five.

- First of the top five is Article VI, Section 2 Limits of Authority and Indebtedness. Three discussion points: 1) Keep the new wording “new or initiative type capital projects” (new projects); 2) The payment is currently at ten percent, but possible changes are to 12 or 15 percent; and 3) Change the budget wording to revenue. Other possibilities are “latest annual revenue” or “latest audited approved annual revenue.”

**MOTION: Walker moved / Sutherland seconded to revise the language to include latest audited approved annual revenue and change the ten percent to 12 percent.**

**Passed: unanimous**

- Second is Bylaws that conflict with AZ law. Article XII, Section 2 Availability of Records, Chair Crothers suggested changing the time for staff to produce a records request from at least five business days to two or three business days. Consensus of the Committee Members is to keep five business days.
- Third is changing the number of Directors from 12 to nine in Article IV Board of Directors, Section 1 Number of Directors (change 12 to nine) and Article V, Section 1 Term of Office (changing four Directors elected each year to three Directors elected each year). Suggested mechanics for moving from 12 to nine Directors is to vote for three Board Directors beginning the next election, after and if this Bylaw change passes. If a person resigns, that position is not refilled to get to the nine Directors. This may take three years. Once there are nine Directors on the Board, any resignations will be filled as stated in the CPM.
- Fourth is the qualifications to be a Director. After a lengthy discussion, Chair Crothers asked Committee member Pat Reynolds to

write up a suggested wording for this section. This will go before the BAC in an email and then reviewed at the next meeting.

- Fifth is on allowing voting online and not allowing proxy voting. There was a consensus by Committee members to keep this in the top five.
- Other possible changes to consider for the Bylaws include: 1) Minor changes suggested by the Attorney to align with AZ law; 2) Redo members definition and look at limiting memberships to no more than 2 per household; 3) Changing the election/nomination process, including eliminating petitions; and 4) Changing the committee section.
- A suggestion was made to put the Attorney's changes to align with AZ law together for one vote. Chair Crothers asked Committee member Gail Vandenhoof to write up a suggested wording for this.

**5. Member Comments: 0**

**6. Adjournment**

**MOTION: Walker moved / Sutherland seconded to adjourn the meeting at 3:38pm.**

**Passed: unanimous**

**Next Meeting:** Tuesday, August 8, 2023, West Center, Room 2/Zoom, 1:30 – 3:30pm



Green Valley Recreation, Inc.  
**Board Affairs Committee**  
**Membership Change Fee**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** August 8, 2023

**Presented By:** Carol Crothers, Chair

<b>Originating Committee / Department:</b> Board Affairs Committee
<b>Action Requested:</b> Review the new calculation and provide exact wording for the motion to the Board of Directors.
<b>Strategic Plan Goal:</b> Goal 4: Cultivate and maintain a sound financial base that generates good value for our members
<b>Background Justification:</b> The Membership Change Fee was discussed at the July 11, 2023, meeting.  The BAC voted to make a change to the CPM for recommendation to the Board to be voted on at the August Regular Meeting of the Board.  The FAC will review this recommended change at the FAC meeting on August 22, 2023.
<b>Fiscal Impact:</b> Information provided in the attachment.
<b>Committee Options:</b> 1) Review the revised calculations. 2) Revise the motion from the last BAC to improve exact wording to recommend to the Board.
<b>Recommended Motion:</b> The BAC recommends to the Board of Directors to approve the changes made to the Corporate Policy Manual Part 1 Membership and Facilities: 1.1.6.B Membership Change Fee as follows: B. The Membership Change Fee shall be refunded <u>to the GVR member owner of a sold primary residences who buys another primary residence within a 12-month period after presenting GVR with background material showing this was a change in primary residence. #</u> <del>the new owner was a GVR member within 365 days prior to the transfer of title and owns no other GVR property.</del>
<b>Attachments:</b> 1) New Calculation on Estimated Cost Per Year for Multi Home Owners



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## MEMO

TO: Scott Somers, CEO  
 FROM: David Webster, CFO  
 DATE: July 12, 2023  
 RE: Home Sales by Multi Home Investors **REVISED CALCULATION**

The following discussion is intended to determine an estimate of the number and amount of Membership Change Fees (MCF) revenue generated from multi home owners. Specifically, we are looking for situations whereby multi home owners are paying for MCF that might be eligible for an MCF refund if the policy is changed to include them. As you already know, it is difficult to determine this exact number. However, we have spent time looking at the database and now believe we can give you a more accurate estimate.

Average total number of properties sold in a one-year period	1,100 homes
Percentage of transactions currently receiving a refund of MCF after providing evidence of Primary Residence	X 8.5%
Average number of properties refunded per year	= 94 homes
Remaining properties to be analyzed. Looking for Multi home owners that are paying MCF (1,100 homes minus 94 homes)	1,007 homes
Percental of Total Property Owners that own multiple properties (after researching the data, we decreased this estimate from 5.0% to 2.5%)	X 2.5%
Number of additional properties that could be multi home owners	= 25 homes
Percentage of multi property owners that are likely purchasing a new primary residence (previously estimated 80%)	X 20%
Number of annual multi owner properties purchased that are estimated to be for Primary Residence	= 5 homes
Member Change Fee Rate per home	= \$ 2,900
Total Annual Revenue from multi property owners that are purchasing a Primary Residence	<b>\$14,500</b>

The above document was included in the July FAC meeting book. It is important that the BAC see that the staff estimated annual impact of our recommended change has been reduced to under \$15K/yr.

I believe it should be reduced further because in the above calculation, it looks like the number of properties that could be owned by multiple property owners was obtained by multiplying 2.5% (the percent of members who have multiple properties) times 1,007, the number of remaining new properties sold after taking out the 94 sales by owners of single properties. There is no way to know how many properties were purchased by existing members unless you go back and look at each property. If multiple property owners are buying and selling more, they still pay the fees for the investment property since they can only live in one home at a time. It is hard and costly to move your home. People don't do it very often (0.7% or less than 1% of single property owners move each year). Owning rental properties can be very time consuming. So perhaps a strong argument could be made that multiple property owners move their personal home less often than single property owners.

If our multiple property owners move (change their Green Valley residence) at the same rate as our single property owners, we would have 2-3 potential additional refunds a year. ( $324 \times 0.7\% = 2.27$  refunds/yr). Therefore, the annual cost to GVR to treat all members equally would be \$4,800 - \$7,700/yr.

In any case, we are down to a very small and conservative cost to correct what was very publicly announced to members and the realtor community in 2019.

# Bylaws of Green Valley Recreation, Inc.

Amended by GVR Membership – March 25, 2020

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Commented [NM1]: Staff change

**ARTICLE I— GENERAL**

**Section 1: Name of the Corporation**

The name of the corporation shall be **GREEN VALLEY RECREATION, INC.**, hereinafter referred to as “The Corporation” or “GVR.” The Corporation has been organized, and exists, as a non-profit corporation under the laws of the State of Arizona.

**Section 2: Business of the Corporation**

The Corporation shall provide recreational, cultural and educational programs for the enjoyment of the GVR members and their guests. The Corporation shall purchase, lease, own and maintain recreational facilities in support of the programs stated above.

**Section 3: Operation of the Corporation**

The Corporation shall be governed by an elected Board of Directors, which at its discretion, may delegate specific duties to the Chief Executive Officer.

**Section 4: GVR Clubs**

Any group of members interested in pursuing a particular field of interest may join together for the purpose of pursuing such interest and may request that the Board grant them “Club status.” The Board shall establish policies and procedures for creating and revoking club status and set forth rules and regulations governing the operation of clubs including a club’s relationship with The Corporation.



**Section 5: Jurisdiction of the Corporation**

- A. The Jurisdiction of The Corporation shall include only the real property designated within The Corporate Boundary Document kept on file at the office of The Corporation. The initial boundaries for this document shall be the boundaries defined in the Bylaws in place on January 1, 1994.
- B. Additional real property may be brought within the jurisdiction of The Corporation by a majority affirmative vote of the GVR members voting and the amendment to The Corporate Boundary Document shall be certified by the President or Secretary.

**Section 6: New Housing Development Criteria**

The jurisdictional boundaries of GVR, after January 1, 1996, may be expanded for additional subdivision development of new residential homes in conformance with the following criteria:

- A. Each subdivision must agree to place a Master Deed Restriction to GVR within their CCRs requiring perpetual membership in The Corporation.
- B. Each subdivision must verify a commitment to “age restriction” with regard to familial status exemptions as outlined by Housing and Urban Development (HUD).
- C. Each owner and developer must give guaranty through financial assurances that it will make contributions to GVR in terms of front-end cash or donation of land and contribution of recreational and social facilities to be built and dedicated to GVR free of encumbrances, whichever serves the best interest of the membership as determined by the Board of Directors. Any cash contributions shall be made up front, in advance. Both cash contributions and donations of land and improvements shall be based, at a minimum, upon the grand total of the Initial Fees and Land Equivalency Fees charged in connection with potential homes in each development. In the case of the donation of land and improvements, adequate security shall first be furnished to GVR in the form of a letter of credit, certificate of deposit, bond, or other commercially reasonable and adequate security.
- D. The Board of Directors will negotiate on behalf of the membership with each new development and uniquely bind each developer with independent contracts.
- E. Each new development must be adjacent/contiguous to the existing GVR boundaries at the time of entry.
- F. The Board of Directors is granted the power to develop policy to implement the New Housing Development Criteria.

**Section 7: Fiscal Year**

The Fiscal Year and Membership Year of The Corporation shall be January 1 through December 31, namely, the Calendar Year.

**ARTICLE II — MEMBERSHIP PROPERTY AND MEMBERS**

**Section 1: GVR Property**

A GVR Property includes any of the following: (1) residential real estate located within the Corporate Jurisdiction against which a deed restriction agreement has been recorded requiring perpetual membership in The Corporation; (2) residential real estate located within a subdivision that requires GVR Membership by virtue of recorded covenants or a recorded master deed restriction; or (3) any commercial/residential real estate located within the Corporate Jurisdiction.

**Section 2: Qualified Member**

- A. The record holder(s) of legal title to the fee interest of a GVR Property, including each person who has legal title of a GVR Property in joint tenancy, tenancy in common, or as community property, is a Member of The Corporation (“GVR Member”). A GVR Member may be a corporation, trust or other legal entity. Unless stated in writing in the trust, the trustee shall be the regular member.
- B. GVR Members may surrender their right to use GVR’s facilities and assign such right to occupants of their GVR Properties “Assigned Members” and “Tenants”.

**Section 3: Definitions**

There shall be two classes of membership: Owner Member and Associate Member. Each Member shall be issued an ID badge; Membership cards are non-refundable and non-transferable to another person or property.

- A. Each record holder of legal title on a GVR deed restricted property is an Owner Member and payment of annual Owner Member Dues is mandatory.
  - 1. Each owner, whether one or more persons or entities, of a GVR deed restricted property shall be an Owner Member.
  - 2. An Owner Member in good standing, shall be entitled to vote, hold office, sign petitions, and use all available facilities, subject to the provisions of the Governing Documents.
  - 3. An Assigned Member is an individual who occupies a GVR Property without paying rent and has been assigned the right to use GVR’s facilities by the GVR Member owning such GVR Property, pursuant to Article II, Section 2.
- B. An Associate Member is a non-titleholder who meets the qualifications in these Bylaws. This membership is elective and does not have to be maintained.
  - 1. The following memberships are considered Associate Members: Additional Card Holder, Complimentary Card Holder, Life Care, Tenant, and residents of Green Valley Estates Park and Silver Springs.

2. ~~Associate Members in good standing shall not be entitled to vote, serve on a GVR Board or committee, or sign petitions, but shall be entitled to use all facilities, subject to the facility use obligations of an Owner Member, as set forth in the Governing Documents.~~
  3. ~~Associate Members in good standing shall be eligible for membership in GVR Clubs including the ability to hold the position of a club officer.~~
  4. ~~By accepting an Associate Member Card, the Associate Member agrees to abide by the Governing Documents.~~
  5. ~~Exceptions: Silver Springs and Green Valley Estates Park – As the sole title-holder, the proprietors of Green Valley Estates Park and Silver Springs shall be Owner Members. The residents of both owner subsidized communities are Associate Members.~~
- C. ~~A Guest is a temporary visitor of a GVR Owner Member or Associate Member who lives more than twenty (20) miles outside GVR's Corporate Jurisdiction.~~

**Commented [NM2]:** Staff change – new definition

- ~~A. Additional Card Holder is an individual who shares a common household with a GVR Member and, with payment of a fee established by the Board of Directors, has the right to use GVR's facilities.~~
- ~~B. Assigned Member is an individual who occupies a GVR Property without paying rent and has been assigned the right to use GVR's facilities by the GVR Member owning such GVR Property, pursuant to Article II, Section 2.~~
- ~~C. Tenant is an individual who leases and pays rent for the use of a GVR Property from a GVR member and may not be an Assigned Member.~~
- ~~D. Commercial Residential/Care Facility (CRCF) is a commercial property that leases residential units and/or provides its residents with care-related services.~~
- ~~E. Commercial Residential/Care Facility Resident (CRFC Resident) is a resident of a Commercial Residential/Care Facility.~~
- ~~F. Guest is a temporary visitor of a GVR Member, Assigned Member, CRCF Resident, Life Care Member or Tenant who lives more than twenty (20) miles outside GVR's Corporate Jurisdiction.~~
- ~~G. GVR Member is an individual who holds Membership in GVR as set forth in Article II, Section 2.~~
- ~~H. GVR Property is residential property as set forth in Article II, Section 1.~~
- ~~I. Life Care Member is a former GVR Member residing in a residential care facility in the greater Green Valley area who has been extended privileges to use GVR facilities by the Board of Directors.~~

**Commented [NM3]:** Removed by Staff

**Section 4: Use of Facilities**

**A. Member Privileges**

1. ~~GVR identification shall be issued to GVR Members, Assigned Members, Life Care Members, CRCF Residents and Tenants. Identification may be obtained for Additional Card Holders pursuant to policies established by the Board of Directors; shall be issued to each Owner and Associate Member; the ID card is non-refundable and non-transferrable to another person or property. GVR identification shall be returned to The Corporation upon termination of GVR Membership.~~
2. ~~Use of GVR facilities with valid identification is subject to the then current rules and regulations established by the Board of Directors.~~
3. ~~GVR Owner and Associate Members, Assigned Members, CRCF Residents, Life Care Members and Tenants may have Guests use all GVR facilities subject to the then current rules, regulations, and fees established by the Board of Directors.~~

**Commented [NM4]:** Staff change. Leave last sentence in the Bylaws due to abuse of expired cards.

**Commented [NM5]:** Staff removed "then"

~~**B. Life Care Privileges**~~

~~Life Care Members shall be entitled to use GVR facilities in accordance with policies established by the Board of Directors.~~

**Commented [NM6]:** Staff removed.

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**Section 5: Suspension of Privileges**

~~The right to use GVR's facilities of any GVR Owner Member or Associate Member, Assigned Member, Life Care Member, CRCF Resident, Guest or Tenant may be suspended for any infraction of these Bylaws, policies, and/or rules and regulations of The Corporation. The procedure for such suspension and the duration of suspension shall be as determined by the Board of Directors. Suspension of the right to use GVR's facilities shall not in any way affect a GVR Member's obligation to pay dues, assessments, fees, penalties and accrued interest to GVR during the period of suspension.~~

**Commented [NM7]:** Staff change.

**Section 6: Voting Rights**

- A. ~~A GVR Owner Member in good standing is entitled to one (1) vote for each GVR Property owned; provided, however, that there shall be only one (1) vote per GVR Property. If any GVR Member casts a vote representing a certain GVR Property, it will thereafter be conclusively presumed for all purposes that such individual was acting with the authority and consent of all other owners of the same GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, none of the votes shall be counted and all of the votes for such GVR Property shall be deemed void.~~
- B. ~~It shall be the duty of each GVR Member to keep The Corporation advised of his/her current mailing address.~~
- C. ~~All voting by GVR Members shall be by written ballot or online electronic voting, consistent with the Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.~~
- D. ~~The right to vote and serve on the Board of Directors on behalf of a GVR Property may be assigned to one (1) or more Assigned Members occupying such GVR Property in writing and signed by all owners of such property. Additional rights may be determined by the Board of Directors.~~
- E. ~~A Tenant shall not have the right to vote or serve on the Board of Directors.~~

**Commented [NM8]:** Staff added.

**Commented [NM9]:** Delete sentence: Not possible to cast more than one vote.

**Commented [NM10]:** Added by the Attorney.

**Commented [NM11]:** From Attorney memo dated May 9, 2023

**Commented [NM12]:** Staff says maybe able to delete since it is defined in Section 3: Member Definition

**Commented [NM13R12]:** Delete E per Attorney/Staff

**Section 7: Initial Fees; Member in Good Standing**

- A. ~~Each GVR member, upon becoming a member, shall pay any applicable initial fees as established by the Board of Directors.~~

B. A GVR Owner Member current in the payment of all GVR dues, fees, assessments, and other charges shall be deemed in good standing. The privileges and rights of a GVR Owner Member to use GVR facilities, vote, and be nominated in an election of directors shall be suspended during any period in which such GVR member is not in good standing.

Commented [NM14]: Staff change.

#### ARTICLE III— DUES AND ASSESSMENTS

##### Section 1: Establishment of Membership Dues and Operating and Capital Budgets

Membership dues and the operating and capital budgets shall be established by the Board of Directors. All membership dues shall be based on a 12-month period, but will be prorated monthly for members joining in the 12-month period.

##### Section 2: Procedure

In establishing membership dues and the Operating and Capital Budgets, the Board of Directors shall be guided by the actual expense of operating the recreational facilities of The Corporation, including a reasonable reserve for Capital Replacements with the objective of operating the facilities on a self-sustaining basis.

##### Section 3: Standard of Service

The Board of Directors shall establish and maintain a standard of service for the recreational facilities of The Corporation which best serves the overall good of the organization. There shall be no decrease of services presently provided nor addition of any new services, either of which should exceed 5 percent (5%) of the existing Operating Budget except as approved by a majority of the members voting. The only exception to the above shall be services relating to new facilities provided by and at the expense of a developer.

##### Section 4: Announcement by the Board of Directors

On or before December 10<sup>th</sup> of each year, the Board of Directors shall announce the schedule of membership dues and the Operating and Capital Budgets for the next calendar year.

##### Section 5: Assessments

The Board of Directors is not authorized to impose a special assessment for any purpose, unless such an assessment is approved in advance, by a majority of the members voting. ~~No special assessment or other levy shall be made against Fairfield Green Valley, Inc.~~

Commented [NM15]: Attorney suggested removing last sentence. Attorney "This is a carry-forward from the older Bylaws. At the time Fairfield was the Developer Member (and had a seat on the Board). That director position ended March 31, 2006. According to the 1996 Developer Member Agreement, that special membership status also terminated at the end of ten years. Therefore, the whole sentence should be taken out.

#### ARTICLE IV— BOARD OF DIRECTORS

##### Section 1: Number of Directors

The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting Owner Members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

##### Section 2: Regular Meetings

Regular meetings of the Board shall be held at least quarterly on a schedule determined by the Board.

##### Section 3: Special Meetings

Special meetings of the Board may be called by the President or the Vice President or shall be called by the President or Vice President when requested by any two (2) Directors. Two (2) days' ~~written~~ notice ~~of the date, time, and place of the meeting~~ shall be given to each Director of any special meeting.

Commented [NM16]: Attorney suggested eliminate "Written" and added "of the date, time, and place of the meeting"

Commented [NM17]: From Attorney memo dated May 9, 2023

##### Section 4: Quorum to Conduct Business

The presence, in person, by video conference, or by telephone conference, of a majority of the directors in office shall constitute a quorum for the transaction of business at a meeting. Except as otherwise specified in these Bylaws, the vote of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

##### Section 5: Open Meetings

All meetings of the Board at which official business of The Corporation is transacted, with the exception of meetings limited to personnel and/or legal matters, shall be open to all members of The Corporation. The time and place of all such meetings shall be made available to the membership of The Corporation. ~~Normal notice channels to the membership should be used for the Board for both open and closed meetings.~~

Commented [NM18]: From Attorney's memo dated May 9, 2023

##### Section 6: Indemnification

The Corporation shall indemnify and hold harmless the Officers, Directors, employees, and agents of The Corporation to the extent permitted by Arizona law.

##### Section 7: Employment

Nothing contained in these Bylaws shall be construed to prohibit the employment of any member of The Corporation except that Directors or members of their immediate families are prohibited from such employment.

##### Section 8: Compensation

Directors shall not receive compensation for their services but may be reimbursed by The Corporation for authorized expenses and disbursements made on behalf of The Corporation.

## ARTICLE V — ELECTION OF DIRECTORS

### Section 1: Term of Office

- A. The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of four (4) Directors shall expire and four (4) Directors shall be elected for a term of three (3) years to succeed those Directors whose terms expire. No Director may serve more than two (2) consecutive terms including time served as an appointed Director. A former Director may be re-elected after one (1) or more years' absence from the Board.

### Section 2: Nominating Process

- A. ~~The Nominations & Elections Committee shall conduct a search of regular members and select for nomination a slate of Directors. As part of its search, the Nominations & Elections Committee shall request names of possible nominees from members. The slate of nominees shall be posted and be available to all regular members at least 90 days prior to the Annual Meeting.~~
- B. Any regular member of The Corporation may make additional nominations by filing a nomination petition containing the name of any regular member who agrees to be a nominee, and the signatures of at least two hundred (200) of the regular members in good standing. Such nomination petitions shall be filed with the Secretary not less than 60 days before the Annual Meeting. The Secretary shall then add the names of these nominees to the slate of nominees previously posted and shall prepare ballots to be mailed to the membership.

Commented [NM19]: Staff recommendation to delete.

### Section 3: Election of Directors

The Board of Directors shall establish specific election procedures, include those procedures in the Corporate Policy Manual, and communicate the voting procedures to all members who have the right to vote. The election of Directors shall be conducted pursuant to Article XI herein. Cumulative voting shall not apply in the election of Directors.

## ARTICLE VI — POWERS, DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

### Section 1: Powers and Duties

The Board of Directors shall have power:

- A. To call special meetings of The Corporation whenever it deems necessary or upon written request of one-tenth of the voting membership as provided in Article IX, Section 2.
- B. To take the following actions with the approval of a majority of directors in office:
1. Appoint and remove, at its pleasure, all officers, agents and the Chief Executive Officer and prescribe their duties, fix their compensation and require of them such security of fidelity bond as may be deemed expedient;
  2. Establish initial fees, dues, and assessments and collect same; and
  3. Adopt annual operating and capital budgets which shall include a contribution to financial reserves consistent with Board policy.
- C. To adopt and publish rules and regulations governing the use of the properties and facilities owned by The Corporation and the personal conduct of all persons thereon.
- D. To exercise for The Corporation all powers, duties and authority vested in, or delegated to, The Corporation except those reserved to the members.
- E. In the event that any member of the Board of Directors of The Corporation shall be absent from three (3) regularly scheduled meetings of the Board of Directors in any one-year period, the Board may, by action taken at the meeting during which a third absence occurs, declare the office of said absent Director to be vacant.
- F. Any vacancy in the office of a Director shall, if possible, be filled by the unsuccessful candidate of the most recent Directors' election, who, of those willing to fill the vacancy, received the greatest number of votes. If none of said unsuccessful candidates is willing and able to serve, the remaining Directors by affirmative vote of a majority of the Board, shall elect a successor, who shall serve for the unexpired term of the vacant office.

### Section 2: Limits of Authority and Indebtedness

The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

## ARTICLE VII — OFFICERS AND CHIEF EXECUTIVE OFFICER

### Section 1: Positions

Elected officers of The Corporation shall be the President, Vice President, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer. This sequence of officers determines their seniority. In addition, the Chief Executive Officer shall serve as an ex-officio, non-voting member of the Board.

### Section 2: Eligibility and Terms of Office

Officers are elected for a term of one year or until successors are elected, or at the pleasure of the Board. All officers must be regular members of The Corporation and members of the Board of Directors.

### Section 3: Election of Officers

Officers shall be elected by a majority vote of the Board within thirty days after the Annual Meeting.

### Section 4: Responsibilities of Officers

- A. **President.** The President shall preside at all meetings of the Board of Directors and at meetings of the membership and shall carry out all orders and resolutions of the Board of Directors and shall sign all formal written instruments such as notes, leases, mortgages, deeds, and contracts other than recurring operational contracts which the Board by appropriate resolution has exempted from this requirement. Contracts signed by the President must receive prior legal review and Board approval. ~~The President votes in all Board matters like any other Board Member.~~ The President shall nominate chairpersons of the Board Committees, submit these nominees for Board approval, and in cooperation with the Chief Executive Officer, ensure effective work of these committees. In the absence of the President, the Vice President shall perform all the duties of the President. Should the Vice President also be absent, the duties of the President shall be performed by the Senior Officer present.
- B. **Vice President.** The Vice President shall carry out duties as assigned by the President. In the absence of the President, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of the President.
- C. **Secretary.** The Secretary shall ensure that minutes are kept of meetings of the Membership and the Board of Directors. The Secretary shall cause to be given all notices in accordance with provisions of these Bylaws or as required by law. The Secretary shall see that all records of The Corporation are properly kept and preserved and that the names and addresses of all members of The Corporation are on file in the office of The Corporation. In the absence of the Secretary, the Assistant Secretary shall perform all the duties of the Secretary.
- D. **Treasurer.** The Treasurer shall exercise an oversight role of the financial affairs of The Corporation to ensure that financial records are kept in accordance with generally accepted accounting standards. The Treasurer shall ensure that timely, accurate financial statements are presented to the Directors and that the financial records of The Corporation are audited in accordance with the provisions of these Bylaws. In the absence of the Treasurer, the Assistant Treasurer shall perform all the duties of the Treasurer.
- E. **Signing of Checks.** Any check in the amount of \$2,500.00 or more shall be signed by two (2) officers of The Corporation or by one (1) officer and the Chief Executive Officer. Any check in an amount of less than \$2,500.00 may be signed by the CEO with the stipulation that a log is kept reflecting the two (2) department heads that reviewed the checks prior to its execution. Month-end statements shall be reviewed by two (2) officers of The Corporation as soon as practicable after their completion.

Commented [NM20]: From Attorney memo dated May 9, 2023

**Section 5: Responsibilities of the Chief Executive Officer**

The Chief Executive Officer shall be accountable to the Board and shall serve as the Chief Operating Officer ~~or designee~~ of The Corporation responsible for the management of the day-to-day operations of The Corporation. The Chief Executive Officer shall work cooperatively with the Board to ensure that the policies established by the Board are carried out effectively. The Chief Executive Officer shall not exceed the limits of authority delegated by the Board of Directors and shall ensure that operations are in conformance with the Bylaws and The Corporate Policy Manual.

Commented [NM21]: Staff added

**ARTICLE VIII – COMMITTEES OF THE BOARD OF DIRECTORS**

**Section 1: Standing Committees**

The Board of Directors ~~may establish Committees as it deems necessary to advise policy decisions, shall establish the following Standing Committees: Board Affairs, Fiscal Affairs, Nominations & Elections, Planning and Evaluation, and Investments.~~ The duties of the Committees ~~and duties of Committees~~ shall be as defined within the Corporate Policy Manual. The Committees shall make policy recommendations to the Board of Directors for approval.

Commented [NM22]: Per Staff

**Section 2: Special Committees**

A. Special or Ad Hoc committees may be established by the President from time to time to assume specific, short-term responsibilities. When established, the duties and responsibilities of the committee along with a deadline for its completion of assigned tasks are to be approved by the Board.

~~B. Audit Committee. The Audit Committee shall occupy an oversight role of the financial structure, internal controls, etc. of The Corporation with access to the books and records and the activities of Management and Staff personnel. The Chairman, a member in good standing, shall be neither an officer of The Corporation nor a member of the Fiscal Affairs Committee. The detailed duties and responsibilities are to be included within The Corporate Policy Manual. The financial records of The Corporation shall be audited following the close of each fiscal year by an independent auditing firm.~~

Commented [NM23]: Removed by staff.

**Section 3: Composition of Committees**

~~The Chairperson of the Audit Committee shall be nominated by the President of the Board and the Finance Director of the Corporation with Board approval.~~ The Chairperson of each Standing and other Special Committee(s) of the Board shall be a member of the Board nominated by the President with Board approval, ~~ie: the greater of a majority of all Directors in office when the action is taken, or a majority voting with a quorum (A.R.S. §10-3825(B)). This states that creation of a committee and appointment of members of the board of directors to it must be approved by the greater of a majority of all directors in office when the action is taken, or the number required to take action in the bylaws (i.e. a majority voting with a quorum)).~~

Commented [NM24]: Attorney said remove if Section 2 B is removed and per staff

Committee members shall be ~~Owner M~~ members of The Corporation and/or members of the operations staff. Committee members shall be selected by the Chairperson of the committee. The President shall be an ex-officio member of all committees excluding Nominations & Elections, and Audit Committees.

Commented [NM25]: From Attorney memo dated May 9, 2023

Commented [NM26]: Staff addition.

**Section 4: Subcommittees**

Except for the Nominations & Elections and the Audit Committees, each committee shall have the power to appoint subcommittees from among GVR members and may delegate to such subcommittee any of its duties and powers.

**Section 5: Open Meetings**

All Committee meetings, subcommittee meetings and working session meetings are closed or open meetings at the discretion of each such Committee. Normal notices channels to the membership should must be used for the Committees for both open and closed meetings.

**Commented [NM27]:** From Attorney’s memo dated May 9, 2023

**ARTICLE IX — MEETINGS OF THE CORPORATION**

**Section 1: Annual Meeting**

The Annual Meeting of The Corporation shall be held within ninety days (90) after the end of the fiscal year, and shall include a report of the outside auditor. The terms of the Directors also start when they are elected at this time. Another possibility from James: The terms could start 30 to 60 days after the meeting/election. If the spring annual meeting does not work, the Corporation could change to a date near the end of the fiscal year (October – November) and could have Board terms start January 1.

**Commented [NM28]:** From Attorney memo dated May 9, 2023  
Staff comment: needs cleared up  
Attorney said the best place for this is in Article V, Section 1 A

**Section 2: Special Meetings**

Special meetings of The Corporation for any purpose may be called at any time by either the President or by a majority of the members of the Board, and shall be called upon a written request to the Secretary of ten percent (10%) of the membership of The Corporation. The meeting must be held within ninety days (90) of the request.

**Section 3: Notice of Meetings**

Notice of the Annual or Special Meetings shall be given to each member by mail. Notice of any meeting shall be mailed at least thirty days (30) but not more than sixty days (60) in advance of the meeting and shall set forth, specifically, the nature of the business to be transacted. Applicable statute: A.R.S. §10-3705. It states that a corporation shall notify members of meetings at least ten days but not more than 60 days before the meeting date.

**Commented [NM29]:** From Attorney’s memo dated May 9, 2023

**Section 4: Quorum to Conduct Business**

Achievement of a quorum will be established by the number of ballots returned.

**ARTICLE X – BYLAW AMENDMENTS**

Amendments to these Bylaws may be proposed by GVR Owner Members representing at least ten percent (10%) of the eligible votes in The Corporation as evidenced by their signatures or two-thirds (2/3) of the total number of directors. Amendments proposed by members must be submitted to the Secretary more than sixty (60) days before the Annual or Special Meeting. Bylaw amendments shall require the approval of GVR Members representing at least two-thirds (2/3) of the eligible votes cast or a majority of the voting power, whichever is less. Once approved by the GVR Membership, amendments to these Bylaws shall be signed by the President and Secretary of The Corporation.

**Commented [NM30]:** Staff addition.

**ARTICLE XI — MEMBERSHIP VOTING**

**Section 1: Voting at a Meeting**

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot or online electronic voting, consistent with the Arizona Nonprofit Corporation Act. No proxies are permitted.

**Commented [NM31]:** Possibly the same as Article II.6.A.

**Section 2: Alternative Voting Methods**

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to and received from every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time, including online electronic voting, with the same force and effect as though acted upon at an Annual or Special Meeting.

**Commented [NM32]:** From Attorney’s memo dated May 9, 2023

**Commented [NM33]:** From Attorney’s memo dated May 9, 2023

**ARTICLE XII – MISCELLANEOUS**

**Section 1: Operations and Policy Manuals**

The Corporation shall maintain a Corporate Policy Manual containing the Articles of Incorporation, Bylaws, Minutes of meetings of The Corporation and of the Board, resolutions passed by the members and/or the Board, the Strategic Plan of The Corporation, and other such documents as might be appropriately kept in such a manual. The Corporation shall maintain a Corporate Policy Manual containing rules, regulations and policies adopted by the Board, Board operating procedures, Board standing committee descriptions, and other items of importance to the effective operation of the Board.

**Section 2: Availability of Records**

The books, records and papers of The Corporation shall, for specific and proper purpose and consistent with the applicable provisions of the Arizona Nonprofit Act, at all reasonable times during business hours be subject to examination by any regular member GVR Member or any Assigned Member that has been given voting rights, of The Corporation upon written demand to The Corporation at least five (5) business days before the requested examination date.

**Commented [NM34]:** From Attorney’s memo dated May 9, 2023

**Section 3: Conflict**

In case of any conflict between the Articles of Incorporation and these Bylaws, and the Arizona Non-Profit Corporation Statute, the Statute shall control. In the conduct of a meeting, Roberts Rules of Order shall prevail unless otherwise determined by the Board of Directors.

1. Green Valley Recreation Bylaws were adopted on October 8, 1978.
2. Amended Bylaws: 1979, 1981, 1982, 1984, 1985, 1988, 1990, 1993, 1995, 1996, 1997, 1999, 2000, 2003, 2004, 2005, 2006, 2007, and 2008.
3. Amended and Restated Bylaws: 2009
4. The GVR Board rolled back the Bylaws on August 24, 2010 to December 31, 1998 to be in compliance with the January 1, 1999 Arizona Non-Profit Corporation Act, which required all amendments to be approved by 2/3 majority of voting members. The rolled back Bylaws include all amendments legally approved for the following years: 2003, 2004, 2005, 2006, 2007, and 2008.
5. Amended Bylaws after the roll back: 2011, 2014, 2015, 2019 and 2020



Green Valley Recreation, Inc.  
**Board Affairs Committee**

**Article VI Section 2 Limits of Authority  
 And Indebtedness**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** August 8, 2023

**Presented By:** Carol Crothers, Chair

<p><b>Originating Committee / Department:</b>          Board Affairs Committee</p>
<p><b>Action Requested:</b>          Review and vote on wording for Bylaws Article VI, Section 2 Limits of Authority and Indebtedness</p>
<p><b>Strategic Plan Goal:</b>          GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p><b>Background Justification:</b>          At the BAC Meeting on July 11 the Bylaws Article VI Section 2 was discussed and a motion was passed to include language regarding “latest audited approved annual revenue and to change from ten percent to 12 percent.”           This will go to the FAC at the August meeting for review.</p>
<p><b>Fiscal Impact:</b>          None</p>
<p><b>Committee Options:</b>          1) Review any suggestions or changes from the Committee Members and vote for recommendation to the Board for approval, after review at FAC meeting.</p>
<p><b>Recommended Motion:</b>          The BAC recommends to the Board of Directors to approve the changes made to the Bylaws in Article VI Section 2, add “latest audited approved annual revenue” and to change from ten percent to 12 percent, to go on the ballot for a Membership vote.</p>
<p><b>Attachments:</b>          1) Redlined Version of Bylaws Article VI Section 2          2) Chair Crothers email of July 29, 2023</p>



**Section 2: Limits of Authority and Indebtedness**

The Board of Directors is not authorized to enter into any contract for new or initiative-type Capital projects that requires an annual payment that exceeds ten twelve percent (102%) of the latest audited approved annual revenue annual total budget, which includes Operations and Capital Budget. Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds ten twelve percent (102%) of the latest audited approved annual revenue annual total budget, which includes Operations and capital Budgets, shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirements of this section.

## Prioritized top Bylaws recommended changes as of August 1, 2023.

1. Limits of Board authority
2. Significant conflicts with or clarifications regarding AZ law
  - a. Request for records
  - b. Online voting? Maybe priority 5
3. Number of directors
4. Qualifications to run for the Board of Directors

### Number 1: Limits of Board authority Article VI Powers, Duties and Responsibilities of the Board of Directors

Existing language:

#### **Section 2: Limits of Authority and Indebtedness**

The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

New language based on staff input and approved by BAC on July 11:

The Board of Directors is not authorized to enter into any contract *for new or initiative type capital projects* that require an annual payment that exceeds *twelve* percent (12%) of the *latest audited annual revenue*. Any contract *for new or initiative type projects* requiring an annual payment that exceeds twelve percent (12%) of the *latest audited annual revenue* shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. *Contracts for unique projects may not be broken up so as to avoid the requirements of this section.*

New language is in italics. I changed “latest audited approved annual revenue” as approved in the minutes to “latest audited annual revenue” because it flowed better.

Number 2: Conflicts with AZ law. Our new attorneys pointed out very few problems here and most were so minor that the general statement that AZ law takes precedence should cover them. However, since in the last Bylaws proposal, such a big deal was made out of the fact that our existing Bylaws didn’t match AZ law in the Request for Records section, we may want to make this more explicit.

Existing language:

#### **ARTICLE XII – MISCELLANEOUS**

##### **Section 2: Availability of Records**

The books, records and papers of The Corporation shall, for specific and proper purpose, at all reasonable times during business hours be subject to examination by any regular member of The Corporation upon written demand to The Corporation.

New language from attorneys:

The books, records and papers of The Corporation shall, for specific and proper purpose, and consistent with the applicable provisions of the AZ Nonprofits act at all reasonable times during business hours be subject to examination by any *GVR* member or any *Assigned Member* who has been given voting rights upon written demand to The Corporation *at least five business days before the requested review date.*

Number 3: Number of Directors: Change from 12 Directors to 9 Directors to make the Board size more manageable and have an uneven number for votes. This requires changes in two places:

Existing language:

**ARTICLE IV— BOARD OF DIRECTORS**

**Section 1: Number of Directors**

The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

**ARTICLE V — ELECTION OF DIRECTORS**

**Section 1: Term of Office**

- A. The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of four (4) Directors shall expire and four (4) Directors shall be elected for a term of three (3) years to succeed those Directors whose terms expire. No Director may serve more than two (2) consecutive terms including time served as an appointed Director. A former Director may be re-elected after one (1) or more years' absence from the Board.

Suggested changes to move from 12 Directors to 9 Directors and clarify that directors are elected by members who have voting rights as defined in Article II Section 6: Voting Rights. New language:

**Section 1: Number of Directors**

The affairs of GVR shall be governed by a Board of Directors consisting of *nine (9)* voting members who shall be elected from the members of The Corporation who have voting rights *as defined in Article II Section 6.*

**ARTICLE V — ELECTION OF DIRECTORS**

**Section 1: Term of Office**

- A. The term of office of a Director elected by the membership shall be for three (3) years. Each year the term of office of *three (3)* Directors shall expire and *three (3)* Directors shall be elected for a term of three (3) years to succeed those Directors whose terms expire. No Director may serve more than two (2) consecutive terms including time served as an appointed Director. A former Director may be re-elected after one (1) or more years' absence from the Board.

Pat suggested that we have language ready to show how we would transition to 9 directors. I would suggest the following:

If Bylaws change from 12 to 9 directors is approved in 2023, starting in 2024 elect 3 new directors each year. In 2024/25 we would have 11 directors, in 2025/26 we would have 10 directors and in 2026/27 we would have 9 directors. If any directors resign during this time period they will not be replaced until we were down to 9 directors.

If Bylaws change from 12 to 9 directors is approved at the 2024 election, we will still vote for 4 directors (in case this was not approved) but only seat the top 3 vote getters if it is approved. Then continue as above.

Dick suggested that we move directly to 9 directors and only vote for one new director in 2024. This needs discussion at the BAC meeting.

Number 4: Qualifications to be a Director.

If qualification to be a Director is related to properties owned (and dues/fees paid), the easiest change is to add an “f” to Article II, Section 6: Voting Rights that states there can only be one Director from each GVR property.

Alternative 1 in Article II Section 6. This would limit one Director per property owned.

*F. A GVR Member in good standing has the right to serve on the Board of Directors for each GVR Property owned, provided, however, that there shall be only one (1) director serving per GVR property.*

Alternative 2, Pat’s suggestion which also requires that a director reside in the owned property.

*F. A GVR member in good standing has the right to serve on the Board of Directors provided: 1. no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period; and 2. said member is a resident in the owned GVR property.*

(Pat, I changed “cohabition” to “cohabitation” because word pointed out a misspelling but maybe cohabition is a legal term?)

This needs further discussion and I’m open to suggestions.

Number 5: Clearing up language vs AZ law regarding voting rights – adding online voting and prohibiting proxy voting.

Existing language:

**ARTICLE XI — MEMBERSHIP VOTING**

**Section 1: Voting at a Meeting**

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot.

**Section 2: Alternative Voting Methods**

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time with the same force and effect as though acted upon at an Annual or Special Meeting.

New language suggested by the attorney:

**ARTICLE XI — MEMBERSHIP VOTING**

**Section 1: Voting at a Meeting**

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot *or online electronic voting consistent with the AZ Nonprofit Corporation Act. No proxies are allowed.*

## **Section 2: Alternative Voting Methods**

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to *and received from* every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time *including online electronic voting* with the same force and effect as though acted upon at an Annual or Special Meeting.

### **Additional possible changes:**

1. Minor changes suggested by the attorney to more clearly align with AZ law. I didn't see much that would be worth the effort, but I'm not an attorney. Gail has reviewed this and is providing her analysis.
2. Redo membership section including limiting memberships to no more than 2 per household. Very complex and involved. Will need considerable study and buy-in by membership. Well worth doing but maybe stage 2. Also need data on number of multiples, etc.
3. Changing the election/nomination process. This could be controversial, especially doing away with petitions. They have been needed in the past.
4. Changing the committee section. Need to wait until the Board sorts this out and decides how many committees are needed and how they are structured. Too controversial at this point.
5. Others??

Possible easy one to add but not sure it is worth the effort.

### **Article III – Dues and Assessments, Section 5: Assessments**

Existing language:

#### **Section 5: Assessments**

The Board of Directors is not authorized to impose a special assessment for any purpose, unless such an assessment is approved in advance, by a majority of the members voting. No special assessment or other levy shall be made against Fairfield-Green Valley, Inc.

Attorney notes that Fairfield's special relationship has ended and recommends removing last sentence.

New language:

#### **Section 5: Assessments**

The Board of Directors is not authorized to impose a special assessment for any purpose, unless such an assessment is approved in advance, by a majority of the members voting.



Green Valley Recreation, Inc.  
**Board Affairs Committee**  
**Bylaws Article XII Miscellaneous –**  
**Availability of Records**

**Prepared By:** Nanci Moyo, Admin. Sup.  
**Presented By:** Carol Crothers, Chair

**Meeting Date:** August 8, 2023

<p><b>Originating Committee / Department:</b> Board Affairs Committee</p>
<p><b>Action Requested:</b> Review and approve the Attorney’s language on Article XII Miscellaneous, Section 2 Availability of Records.</p>
<p><b>Strategic Plan Goal:</b> GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p><b>Background Justification:</b> Attorney James Hazlewood reviewed the GVR Bylaws and made suggestions to comply with the Arizona’s Nonprofit Corporation Act. One of the suggestions is the language in Bylaws Article XII Miscellaneous, Section 2 Availability of Records.</p> <p>Currently states: The books, records and papers of The Corporation shall, for specific and proper purpose, at all reasonable times during business hours be subject to examination by any regular member of The Corporation upon written demand to The Corporation.</p> <p>Proposed new language: The books, records and papers of The Corporation shall, for specific and proper purpose <b>and consistent with the applicable provisions of the Arizona Nonprofit Act</b>, at all reasonable times during business hours be subject to examination by any <del>regular member</del> <b>GVR Member or any Assigned Member that has been given voting rights, of The Corporation</b> upon written demand to The Corporation <b>at least five (5) business days before the requested examination date.</b></p>
<p><b>Committee Options:</b> 1) Review and approve the changes for recommendation to the Board for approval for the ballot.</p>
<p><b>Recommended Motion:</b> Move to approve the language change for Article XII, Section 2 Availability of Records to “The books, records and papers of The Corporation shall, for specific and proper purpose and consistent with the applicable provisions of the Arizona Nonprofit Act, at all reasonable times during business hours be subject to examination by any GVR Member or any Assigned Member that has been given voting rights, upon written demand to The Corporation at least five (5) business days before the requested examination date.</p>



Green Valley Recreation, Inc.  
**Board Affairs Committee**  
**Article IV Board of Directors**  
**Number Change and Process**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** August 8, 2023

**Presented By:** Carol Crothers, Chair

<p><b>Originating Committee / Department:</b> Board Affairs Committee</p>
<p><b>Action Requested:</b> Review and vote on number of Board of Directors from 12 to nine. Discuss and vote on the process for the transition.</p>
<p><b>Strategic Plan Goal:</b> GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p><b>Background Justification:</b> The BAC reviewed reducing the number of Directors from 12 to nine at the July 11, 2023, meeting with a consensus from the members to move forward with proposing this Bylaw change. The discussion led to the process of reducing the number of Directors over three years. If the members pass this Bylaw change, in the next election only three Directors will be elected versus the regular four elected. This process will reduce the Board of Directors to nine over three years, unless there is a resignation. If there is a resignation, that position would not be filled to help bring the number of Directors to nine.</p>
<p><b>Fiscal Impact:</b> None</p>
<p><b>Committee Options:</b> 1) Review the process and vote to approve the number of Directors and the process. 2) Review the process, come up with a different process to vote on.</p>
<p><b>Recommended Motion:</b> Move to recommend to the Board to approve proposing the Bylaw change for a membership vote to reduce the number of Directors from 12 to nine, and electing at the following election three Board Directors and not filling resignations until the Board is reduced to nine Directors.</p>



Green Valley Recreation, Inc.  
**Board Affairs Committee**

**Bylaw Change for Qualifications of Directors**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** August 8, 2023

**Presented By:** Carol Crothers, Chair

<p><b>Originating Committee / Department:</b> Board Affairs Committee</p>
<p><b>Action Requested:</b> Review language provided by Committee Member Pat Reynolds for the qualification of Directors.</p>
<p><b>Strategic Plan Goal:</b> GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p><b>Background Justification:</b> The BAC held discussion on the qualifications of the Directors at the July 11, 2023, meeting. Committee Member Pat Reynolds was asked to write up language to be considered at the August meeting.</p>
<p><b>Committee Options:</b> 1) Discuss proposed language and vote to recommend to the Board for approval of the Bylaw change and put on the ballot for Membership vote. 2) Discuss proposed language and make changes, and vote to recommend to the Board for approval of the Bylaw change and put on the ballot for Membership vote.</p>
<p><b>Recommended Motion:</b> Move to approve the language.....</p>
<p><b>Attachments:</b> 1) Proposed Qualification Language</p>



F. A GVR member in good standing has the right to serve on the Board of Directors provided: 1. no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period; and 2. said member is a resident in the owned GVR property.

and/or:

#### Section 9. Qualifications

1. Must be a member in good standing of GVR
2. Only one occupant of a residence may serve on the Board at any time.
3. Must be a resident in Green Valley GVR home.

Note the difference between domicile and residence:

In the legal world there is a big difference between one's "domicile" and one's "residence". For starters, you can have as many residences as you want, but you can have only *one* domicile, legally speaking. So your domicile is your legal home, which you treat as your fixed and permanent location. It's your principal establishment. Residence is more of a transient concept; your temporary place of abode.

For instance, a "snow bird" who "flies south for the winter", meaning that they spend the winter months in Arizona to avoid all of the blizzards in New England, but then they spend the other seasons in Connecticut is domiciled in Connecticut, while they have a residence in both Connecticut and Arizona.

You can have only one domicile but can have multiple residences.



Green Valley Recreation, Inc.

## Board Affairs Committee

### Bylaws Article II, Section 6.C Voting Rights

### Article XI Membership Voting

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** August 8, 2023

**Presented By:** Carol Crothers, Chair

<p><b>Originating Committee / Department:</b> Board Affairs Committee</p>
<p><b>Action Requested:</b> Review Attorney and Staff language for Article II, Section 6.C. and Article XI Membership Voting, Section 1 and 2.</p>
<p><b>Strategic Plan Goal:</b> GOAL 5: Provide sound, effective governance and leadership for the corporation</p>
<p><b>Background Justification:</b> GVR Attorney James Hazlewood reviewed the Bylaws for any discrepancies to the Arizona Nonprofit Corporation Act and to update language in Article II, Section 6.C. and Article XI Membership Voting. Voting can be done by written ballot or with electronic voting though the Bylaws state only by written ballot.</p>
<p><b>Committee Options:</b> 1) Review Attorney and staff's language suggestions. 2) Discuss any changes needed to the language suggestions.</p>
<p><b>Recommended Motion:</b> Move to recommended approval by the Board by including electronic voting in Article II, Section 6.C. and Article XI Membership Voting and to add to the ballot for Membership voting in the election.</p>
<p><b>Attachments:</b> 1) Attorney suggested changes in Redline and Clean 2) Staff suggested changes in Redline and Clean</p>

Attorney Language for Article II, Section 6.C. and Article XI, Section 1 and 2:

**Current:** Article II, Section 6.C.

C. All voting by GVR Members shall be by written ballot.

**Redlined:** Article II, Section 6.C

C. All voting by GVR Members shall be by written ballot or electronic voting, consistent with Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.

**Clean:** Article II, Section 6.C

C. All voting by GVR Members shall be by written ballot or electronic voting, consistent with Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.

**Current:** ARTICLE XI — MEMBERSHIP VOTING

Section 1: Voting at a Meeting

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot.

Section 2: Alternative Voting Methods

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time with the same force and effect as though acted upon at an Annual or Special Meeting.

**Redlined:** ARTICLE XI — MEMBERSHIP VOTING

Section 1: Voting at a Meeting

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot **or online electronic voting, consistent with the Arizona Nonprofit Corporation Act. No proxies are permitted.**

Section 2: Alternative Voting Methods

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to **and received from** every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time, **including online electronic voting** with the same force and effect as though acted upon at an Annual or Special Meeting.

**Clean:** Article XI – Membership Voting

Section 1: Voting at a Meeting

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot or online electronic voting, consistent with the Arizona Nonprofit Corporation Act. No proxies are permitted.

## Section 2: Alternative Voting Methods

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to and received from every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time, including online electronic voting with the same force and effect as though acted upon at an Annual or Special Meeting.

## Staff Language for Article II and XI

Current: Article II, Section 6.C.

C. All voting by GVR Members shall be by written ballot.

Redlined: Article II, Section 6.C

C. All voting by GVR Members shall be by written ballot or electronic voting, consistent with Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.

Clean: Article II, Section 6.C

C. All voting by GVR Members shall be by written ballot or electronic voting, consistent with Arizona Nonprofit Corporation Act. See Article XI. No proxies are permitted.

Current: ARTICLE XI — MEMBERSHIP VOTING

Section 1: Voting at a Meeting

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members shall be taken by written ballot.

Section 2: Alternative Voting Methods

Any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to every GVR member entitled to vote by either mail, facsimile, Email, or other written form of communication as the Board of Directors shall determine from time to time with the same force and effect as though acted upon at an Annual or Special Meeting.

Redlined: ARTICLE XI — MEMBERSHIP VOTING

Section 1: Regular Voting and Special Election Voting

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members, and any action, including proposed amendments to these Bylaws or the election of Directors, which can be properly taken by the members of GVR at an Annual or Special meeting of said members, may be taken by written ballot communicated to every GVR member entitled to vote by either mail, Email, or other written form of communication as the Board of Directors shall determine from time to time, including online electronic voting, with the same force and effect as though acted up on at an Annual or Special meeting.

Clean: Article XI – Membership Voting

Section 1: Regular Voting and Special Election Voting

The election of Directors, the amendment of Bylaws and any matter that requires approval of the members, and any action, including proposed amendments to these Bylaws or the election of Directors, which can be taken by the members of GVR at an Annual or Special meeting of said members, shall be taken by written ballot communicated to and received from every GVR member entitled to vote by either mail, Email, or other written form of communication as the Board of Directors shall determine

from time to time, including online electronic voting, with the same force and effect as though acted upon at an Annual or Special meeting.



Green Valley Recreation, Inc.  
**Board Affairs Committee**

**Attorney’s Suggestions to Comply  
with Arizona Nonprofit Corporation Act**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** August 8, 2023

**Presented By:** Carol Crothers, Chair

**Originating Committee / Department:**

Board Affairs Committee

**Action Requested:**

Review Attorney James Hazlewood’s language suggestions

**Strategic Plan Goal:**

GOAL 5: Provide sound, effective governance and leadership for the corporation

**Background Justification:**

Attorney James Hazlewood’s suggested language changes:

- Applicable statute: A.R.S. 3822(B) - Article IV Board of Directors, Section 3 Special Meetings: Special meetings of the Board may be called by the President or the Vice President or shall be called by the President or Vice President when requested by any two (2) Directors. Two days’ ~~written~~ notice of the date, time, and place of the meeting shall be given to each Director of any special meeting.
- Applicable statute: A.R.S. 10-3825(B) – Article VIII Committees of the Board of Directors, Section 3 Composition of Committee: The Chairperson of the Audit Committee shall be nominated by the President of the Board and the Finance Director of the Corporation with Board approval, **ie., the greater of a majority of all Directors in office when the action is taken, or a majority voting with a quorum.** The Chairperson of each Standing and other Special Committee(s) of the Board shall be a member of the Board nominated by the President with Board approval. Committee members shall be members of The Corporation and/or members of the operations staff. Committee members shall be selected by the Chairperson of the committee. The President shall be an ex-officio member of all committees excluding Nominations & Elections, and Audit Committees.
- Applicable statute: A.R.S 10-3705: Article IX Meetings of the Corporation, Section 3 Notice of Meetings: Notice of the Annual or Special Meetings shall be given to each member by mail **and/or email (REFER TO ATTORNEY NOT IN BYLAWS REDLINE).** Notice of any meeting shall be mailed at least thirty days (30) **but no more than sixty days (60)** in advance of the meeting and shall set forth, specifically, the nature of the business to be transacted.

**Committee Options:**

- 1) Review Attorney's suggestions and make adjustments as needed by adding or subtracting items.
- 2) Decide if this will go on the ballot as one item or separate items.