

Under the current bylaws, an Assigned Member is not automatically given the right to vote and run for the Board. These rights can be assigned but it requires an extra step. The revised and restated bylaws give the right to vote and run for the Board to all assigned members. It should be kept in mind that an Assigned Member does not pay dues. The requirement to “occupy the property” was also removed. Are we sure this is the correct thing to do? How do we address current assigned members who have not been given the right to vote and run for the Board?

1.2 Assigned Member. "Assigned Member" is an individual who has been assigned the right to use GVR's facilities, vote and serve on the Board pursuant to Article 3, Section 3.3(A).

3.3 Assignment of Membership Rights. Upon payment of a fee established by the Board, an Owner may do either of the following:

- A. Surrender the right to use GVR's facilities, vote in GVR Membership matters, and serve on the Board and assign such rights to an individual who occupies his/her GVR Property without payment of rent ("Assigned Member"); or
- B. Surrender the right to use GVR's facilities and assign such right to an individual who leases his/her GVR Property ("Tenant").

The Board needs to take deliberate steps toward implementing policy governance. This is an opportunity to clearly identify where policy governance fits into GVR.

Revised

1.5 Corporate Policy Manual. The "Corporate Policy Manual" is the document containing the rules, policies and procedures of The Corporation as established by the Board.

Proposed.

1.5 Corporate Policy Manual. The "Corporate Policy Manual" is the document containing:

1. Operating procedures and practices
2. Board practices
3. Policy Governance Manual
4. Archive of motions approved by the Board.

Not all guests are required to pay a fee. The guest cards issued to single households is an example of this.

1.7 Guest. "Guest" is a temporary visitor of a GVR Member, CRCF Resident, Life Care Member or Tenant who lives more than twenty (20) miles outside The Corporation's jurisdictional boundaries who may use GVR's recreational facilities **upon payment of a fee.**

Proposed.

1.7 Guest. "Guest" is a temporary visitor of a GVR Member, CRCF Resident, Life Care Member or Tenant who lives more than twenty (20) miles outside The Corporation's jurisdictional boundaries who may use GVR's recreational facilities. **In some situations, a fee will charged for a guest card.**

The reference “and their guests” was removed from the revised bylaws. This will needlessly create a concern with some of the membership.

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

Proposed.

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

Assigned Member was included in the definition of GVR member and has been removed elsewhere. It should be removed from this reference in 3.4 to be consistent.

3.4 Suspension of Rights.

A. The right of an individual to use GVR's recreational facilities may be suspended for any infraction of these Amended and Restated Bylaws, policies, and/or rules and regulations of The Corporation in conformance with procedures adopted by the Board. The suspension of an individual's right to use GVR's facilities shall not affect such individual's obligation to pay dues or any other amounts owed to GVR during the period of suspension.

B. The right of a GVR Member **or Assigned Member** to use GVR facilities, vote in GVR Membership matters, and be nominated in an election of directors shall be suspended during any period in which such GVR member **or Assigned Member** is delinquent in the payment of dues, fees, or special assessments.

Proposed.

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A. The right of an individual to use GVR's recreational facilities may be suspended for any infraction of these Amended and Restated Bylaws, policies, and/or rules and regulations of The Corporation in conformance with procedures adopted by the Board. The suspension of an individual's right to use GVR's facilities shall not affect such individual's obligation to pay dues or any other amounts owed to GVR during the period of suspension.

B. The right of a GVR Member ~~or Assigned Member~~ to use GVR facilities, vote in GVR Membership matters, and be nominated in an election of directors shall be suspended during any period in which such GVR member ~~or Assigned Member~~ is delinquent in the payment of dues, fees, or special assessments.

The change in nomenclature seems unnecessary. The term initial fees have been used for 25 years without problems. This is a minor change that some members may challenge.

Revised

4.1 Fees. GVR Members shall be required to pay admission fees, transfer fees, and such administrative fees as established by the Board.

Proposed.

4.1 Fees. GVR Members shall be required to pay applicable initial fees, transfer fees, and such administrative fees as established by the Board.

The word ACTUAL was removed from the current bylaws. The purpose of this word is to prohibit the use of last year's budget to create the next year's budget. The ACTUAL should be added back to avoid member pushback.

Revised

4.2 Dues. Annual dues shall be levied against each GVR Property each calendar year in such amounts as determined by the Board; provided, however, that annual dues shall be prorated for the year in which a GVR Property is acquired by an Owner. In establishing the amount of the annual dues, the Board shall be guided by the expense of operating The Corporation and a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis. On or before December 10th of each year, the Board shall announce the schedule of dues and the operating and capital budgets for the next calendar year.

Proposed.

4.2 Dues. Annual dues shall be levied against each GVR Property each calendar year in such amounts as determined by the Board; provided, however, that annual dues shall be prorated for the year in which a GVR Property is acquired by an Owner. In establishing the amount of the annual dues, the Board shall be guided by the **actual** expense of operating The Corporation and a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis. On or before December 10th of each year, the Board shall announce the schedule of dues and the operating and capital budgets for the next calendar year.

This was not address in the current bylaws and was brought forward from the CPM. The time limit was also reduced from 30 days to 10 days. To be acceptable to the membership, the time limit should stay at 30 days.

Revised

4.4. Delinquencies. Annual dues, fees or special assessments that remain unpaid more than **ten (10) days** after their due date shall be subject to a late fee as determined by the Board. All attorney's fees and costs incurred by The Corporation in collecting dues, fees or special assessments shall be the personal obligation of the delinquent Owner and a charge upon such Owner's GVR Property pursuant to the Master Deed Restriction.

Proposed.

4.4. Delinquencies. Annual dues, fees or special assessments that remain unpaid more than **thirty (30) days** after their due date shall be subject to a late fee as determined by the Board. All attorney's fees and costs incurred by The Corporation in collecting dues, fees or special assessments shall be the personal obligation of the delinquent Owner and a charge upon such Owner's GVR Property pursuant to the Master Deed Restriction.

Section 6.4 has 2 significant changes. The first allows a director to miss more than 3 regularly scheduled Board meetings without defining what is “good cause”. This give the image that a favored director to miss as many meetings as he wants. The second change removes the powers which are reserved for the membership. This will create problems with the membership.

Revised

6.4 Powers. In addition to exercising all the powers of The Corporation as set forth in A.R.S. §10-3302 and GVR's Amended and Restated Articles of Incorporation, the Board shall have the authority to do the following:

- (1) Adopt rules and regulations governing the use of GVR's facilities and the personal conduct of all persons thereon which shall be published in the Corporate Policy Manual.
- (2) Adopt policies and procedures in order to carry out the provisions of these Amended and Restated Bylaws which shall be published in the Corporate Policy Manual.
- (3) Declare a vacancy on the Board should any director miss three (3) regularly scheduled Board meetings in any twelve-month period **without good cause.**

Proposed.

6.6 Powers. In addition to exercising all the powers of The Corporation as set forth in A.R.S. §10-3302 and GVR's Amended and Restated Articles of Incorporation, the Board shall have the authority to do the following:

- (1) Adopt rules and regulations governing the use of GVR's facilities and the personal conduct of all persons thereon which shall be published in the Corporate Policy Manual.
- (2) Adopt policies and procedures in order to carry out the provisions of these Amended and Restated Bylaws which shall be published in the Corporate Policy Manual.
- (3) Declare a vacancy on the Board should any director miss three (3) regularly scheduled Board meetings in any twelve-month period ~~without good cause.~~
- (4) To exercise for The Corporation all powers, duties and authority vested in, or delegated to, The Corporation except those reserved to the members.**

The definition in the current bylaws has resulted in confusion every time the issue comes up. The reference to a budget number for a limitation will be problematic since the Board has control of the budget and can be manipulated. A better limitation would be something from the most recently approved audit, such as total income, which is fixed, can not be manipulate, and clears up confusion on what this limitation is.

Revised

6.7 Limitations on Powers.

A. The following actions shall require the prior approval of a majority of GVR Members voting on the matter:

(1) A contract requiring an annual payment that exceeds ten percent (10%) **of the annual budgets for that fiscal year**; provided, however, that a vote on any such matter shall have a quorum requirement of twenty percent (20%); or

(2) A change in services which would result in either an increase or decrease of five percent (5%) or more of the current operating budget; provided, however, that increases in services relating to new facilities provided by and at the expense of a developer or funded by existing reserves intended for such purposes shall not require the approval of GVR members.

Proposed.

6.7 Limitations on Powers.

A. The following actions shall require the prior approval of a majority of GVR Members voting on the matter:

(1) A contract requiring an annual payment that exceeds ten percent (10%) **of the total annual income from the most recently approved audit (including revenue and capital gains)** provided that a vote on any such matter shall have a quorum requirement of twenty percent (20%); or

(2) A change in services which would result in either an increase or decrease of five percent (5%) or more of the current operating budget; provided, however, that increases in services relating to new facilities provided by and at the expense of a developer or funded by existing reserves intended for such purposes shall not require the approval of GVR members.

It is not clear what or why the “Waiver of Notice” is needed. It will create problems in getting the bylaws approved by the membership. It may be needed for legal reasons.

Proposed.

7.3 Notice of Meetings.

- A. Regular Meetings. Regularly scheduled meetings of the Board may be held without additional notice to directors or GVR Members.

- B. Special Meetings. Written notice of the date, time and place of a special meeting shall be provided to each director at least two days prior to the meeting and if any portion of the meeting is to be open to GVR Members, such notice shall also be provided electronically to the GVR Membership.

- ~~C. Waiver of Notice. A director may waive any notice in writing before or after the date and time stated in the notice. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.~~

GVR is not legally bound to use open meetings like the thousands of public boards are required to use. GVR is a private corporation but is like a municipality since our dues are like taxes. However, this is an opportunity to give something to the membership in these revised bylaws that will help the integrity of the Board long term. This change will be attractive enough that most members will approve the restated bylaws and make GVR operate under rules like the thousands of public boards.

Revised

7.4 Open Meetings. Meetings of the Board at which official business of The Corporation is transacted shall be open to GVR Members; provided, however, that the Board, at the discretion of the President, may hold a meeting or any portion thereof in executive session to address any of the following:

- (1) Personnel matters; or
- (2) Legal matters.

Proposed

7.4 Open Meetings

A. All meetings of the Board of Directors at which official business of the Corporation is transacted, shall be open to all members of The Corporation.

B. The time and place of all regular meetings of the Board shall be made available to the membership of the Corporation announced in all available electronic and print media at least 14 days in advance of the meeting.

C. The time and place of all special meetings of the Board shall be made available to the membership of the Corporation as soon as possible after the President or the Board sets such time and place.

D. During an open meeting something of a confidential, privileged or sensitive nature may arise. In such incidences, the Board may adjourn into Executive Session to discuss the matter, observing the following protocols.

- (1) Executive Sessions are for discussions only. The Session shall not be used to conduct official business of the Corporation.
- (2) To go into executive session a Board member must make a motion, it needs a second and is debatable. It takes a majority vote to adopt. (Per Robert's Rules of Order)
- (3) Only Board members and any other person(s) the Board specifically authorizes may attend the Session.
- (4) The authorized topics for the Executive Session are personnel matters, legal matters and negotiations, more particularly described as:
 - (a) Personnel matters that if discussed in public may violate a person's right to privacy or would serve no legitimate purpose.

(b) Meetings with an attorney which may involve attorney/client privilege, or would jeopardize contemplated or ongoing litigation.

(c) Discussions concerning contemplated or ongoing negotiations, which if done in open meeting would reveal strategy or otherwise compromise the Corporation's position.

(5) Minutes of Executive Sessions must be taken but discussions will only be generally noted.

The current bylaws require the deadline for completion also be approved by the Board. A minor thing that adding it will help the chances of approval by the membership.

Revised

9.2 Special Committees. The President may establish special or ad hoc committees to assume specific, short-term responsibilities. The duties and responsibilities of such committees shall be approved by the Board.

Proposed.

9.2 Special Committees. The President may establish special or ad hoc committees to assume specific, short-term responsibilities. The duties, responsibilities, and **deadline for completion** of such committees shall be approved by the Board.

The Audit Committee Authority was removed from the revised and restated bylaws. It should be included to prevent criticism by members.

9.4 Audit Committee Authority

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 detailed duties and responsibilities are to be included within The Corporate Policy Manual.

The last sentence needs clarification.

Revised

10.2 **GVR Clubs**. Any group of GVR 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 status as a GVR club. The Board shall establish policies and procedures for creating and revoking club status and the rules and regulations governing the operation of GVR clubs.

Proposed.

10.2 **GVR Clubs**. Any group of GVR 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 status as a GVR club. The Board shall establish policies and procedures for creating and revoking club status **and set forth** the rules and regulations governing the operation of GVR clubs.

These Arizona statues are lengthy and complicated. The previous version of the bylaws is more straight forward and includes the basics of the Arizona statues. The only addition needed is to allow copying, which is allowed in the Arizona statues.

Revised

10.4 **Records**. The books, records and papers of The Corporation shall be available to GVR Members for inspection pursuant to the provisions of A.R.S. §§10-11602 and 10-11603.

Proposed.

10.4 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. **Photographic copying of these documents is permitted.**

The Indemnification was removed. Unless there is a clear legal reason for its removal, it should be included.

Proposed.

10.8 Indemnification

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

The article for the election of directors was removed. The revised and restated bylaws will have a better chance of passing if it is included.

Proposed. (insert)

6.4 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. Cumulative voting shall not apply in the election of Directors.