

**VENTANA LAKES RULES FOR THE BOARD
TABLE OF CONTENTS**

Rule 1. Board Meetings 1

 1. What Constitutes a Board Meeting 1

 2. Requirements for Board Meetings 1

 3. Manner of Noticing Board Meetings 2

 4. Rotation of Monthly Board Meetings 2

 5. Executive Sessions 3

Rule 2. Duties of Officers of the Board 3

 1. Board President 3

 2. Vice-President 3

 3. Secretary 3

 4. Treasurer 4

 5. Presiding at Board Meetings 4

 5. Special Duty Assignments 4

Rule 3. Responsibilities for Ventana Lakes Rules 5

 1. All Board Policies to be in Ventana Lakes Rules 5

 2. Adoption of or Amendment to Rules for Homeowners 5

 3. Rules for the Board, Management or Volunteers and Committees 5

 4. Format and Publication 6

Rule 4. Practice and Ethics 6

 1. Oath of Office of the Board of Directors 6

 2. Compliance with Open Meeting Law 7

 3. Communication with VLPOA Business Partners 7

 4. Board Members Do Not Act Independently 7

 5. Access to Homeowners' Records 8

Rule 5. Finances 8

 1. Financial Signatory Authority 8

 2. Capitalization 8

 3. Authorization for Payment of Invoices 8

 4. Contingency Fund 8

Rule 1. Board Meetings

1. What Constitutes a Board Meeting

It is the opinion of the Arizona Attorney General that if a majority of the Board is present to discuss Association business, this constitutes a Board meeting. Accordingly, the VLPOA Board of Directors cannot meet to address Association or Board matters in any way, even informally, unless such a meeting is noticed to the members as a formal Board meeting, or unless emergency circumstances require action by the Board before notice can be given.

Adopted January 20, 2010.

2. Requirements for Board Meetings

- A. All Board meetings except Executive Sessions shall be open to the Association membership.

- B. The Board shall not discuss topics not on the agenda, but may place such topics on the agenda of a later Board meeting whereby proper notice can be given.
- C. The Board shall take all reasonable care that persons attending Board meetings are able to hear and participate in the proceedings.
- D. Preparation for regularly scheduled Board Meetings:
 - 1. The President calls for agenda items at least ten days before the meeting, and develops the agenda. Agenda items are by definition proposals or issues upon which the Board is being asked to take action. These actions or issues will be specified on the agenda. If there is no action requested, it is an information item and should go in a report or briefing item.
 - b. Board members, the Manager, and homeowners who have submitted agenda items are responsible for preparing background material for their proposals, and for submitting the background material for agenda items to the Manager no less than three working days prior to the meeting.

Formerly in "Rules of Practice" 5-20-2008 – 5-20-2009. Re-adopted January 20, 2010.

3. Manner of Noticing Board Meetings

- A. The Board shall establish a schedule of monthly Board meetings at the Organizational Meeting following each annual election, and that schedule shall be available from the Management Office and on the VLPOA website. The schedule may be changed with no less than 48 hours notice to the Community. Notice to the Community shall be provided as follows:
 - 1. An agenda containing the date, time, and location, and all topics to be discussed at the Board Meeting shall be posted on the VLPOA Website, at the Management Office, the Recreation Center, and the Yacht Club no less than 48 hours prior to the meeting. Only operational matters brought forward by the Manager may be added to the agenda after such posting and must reasonably fit under the general topic of "Operational Matters."
 - 2. The Community Manager shall e-mail the agenda to all persons on the community e-mail list no less than 48 hours prior to the meeting.
- B. Any Board Meetings to be held outside of the regularly scheduled monthly Board meetings shall be noticed in the same manner as above.
- C. Executive Sessions shall be noticed in accordance with the law governing executive sessions, and posted at the Management Office and on the website no less than 24 hours in advance of the executive session meeting.

Formerly in "Rules of Practice" 5-20-2008 – 5-20-2009. Re-adopted January 20, 2010.

4. Rotation of Monthly Board Meetings

Unless circumstances otherwise require, monthly Board meetings will be rotated during each quarter as follows:

- 1. Saturday at 9:30 a.m.
- 2. Wednesday at 1:30 p.m.
- 3. Wednesday at 6:30 p.m.

Formerly 2006-06, "reviewed and kept" June 2006. Note: 02-02 March 2002 said 2 Board meetings each year will be held in the evening. Amended September 2002 to read: a minimum of four Board meetings each year will be held in the evening. Re-adopted January 20, 2010.

5. Executive Sessions

- A. Only matters specified by law and in the CC&R's may be discussed at Executive Sessions of the Board.
- B. Any Board member who believes the above is being violated shall immediately bring this to the attention of the remainder of the Board.
- C. The Board may interpret the Executive Session law as necessary to protect privacy of homeowners and contractor and personnel matters, but decisions that affect policy of the community as a whole are to be placed on the agenda of an Open Meeting for discussion (without releasing personal or contractual information), and for potential inclusion in the Ventana Lakes Rules.

Formerly in "Rules of Practice" 5-20-2008 – 5-20-2009. Re-adopted January 20, 2010.

Rule 2. Duties of Officers of the Board

1. Board President

- A. In addition and pursuant to the Bylaws, Article V, Section E, the Board Director shall:
 - 1. Serve as the supervisor of the Community Manager.
 - 2. Maintain personnel records of Community Manager, and ensure that these records and the current or most recent contract with the Manager is passed on to the new President immediately upon appointment.
 - 3. Prepare all monthly Board Meeting Agendas and ensure they are provided for review by other Board members prior to posting and distribution, and that written requests for Board action by Association members are placed on the agenda for the next upcoming meeting.
- B. The Board President is not required to vote, but may vote at Board meetings.
Adopted January 20, 2010.

2. Vice-President

The Board Vice-President shall serve pursuant to the Bylaws, Article V, Section F.
Adopted January 20, 2010.

3. Secretary

- A. In addition and pursuant to the Bylaws, Article V, Section G, the Board Secretary shall:
 - 1. Ensure that all Board meetings except executive sessions are recorded, and take notes at all meetings reflecting the discussion of issues and the decisions made.
 - 2. Oversee process for minutes of open meetings and list all minutes to be done and when they are completed (through approval by the Board).
 - 3. Take minutes at Executive Sessions.
 - 4. Write letters as directed by the Board.
- B. All minutes prior to Board approval shall be marked "DRAFT (with the date of the draft)."
- C. The Board Secretary shall also ensure that meeting minutes are ready for approval at the next regularly scheduled Board meeting. Once approved, the Board Secretary shall sign the minutes and file them in the Management Office and ensure that they have been placed on the VLPOA website.

Adopted January 20, 2010.

4. Treasurer

- A. In addition and pursuant to the Bylaws, Section H, the Treasurer shall ensure that signatures on all investment documents are current in accordance with the Board signatory rule.
- B. The Board Treasurer shall serve as the Chair of the Finance Committee.

Adopted February 17, 2010

5. Presiding at Board Meetings

If the President cannot preside at a Board meeting, it is the duty of the Vice President. In the event neither can preside, it shall be the duty of the Secretary to preside; lastly, the Treasurer.

Amended July 2009; Re-adopted January 20, 2010.

5. Special Duty Assignments

At the annual organizational meeting, or as necessary during the year, the Board shall elect the following assignments to specific Board Directors in addition to electing its Officers established in the Bylaws.

1. **Liaison to City of Peoria. (3-14-2008)** The Board may appoint a Board member to be liaison to the City for the community of Ventana Lakes. The duties are:
 - a. Attend Peoria City Council Meetings.
 - b. Represent VLPOA positions on matters which come before the City Council which affect Ventana Lakes.
 - c. Report to the Board and community on government matters affecting Ventana Lakes.
 - d. Meet and confer with City Staff as occasion demands, and report to the Board on such meetings.
2. **Website Director. (3-14-2008)** Duties are review the website for current and accurate content, and to hold and safeguard the password for Association records (see Rules for Community Management.)
3. **Reserve Director. (12-19-2009)** The duties, to be shared with one member of the Finance Committee, include overseeing the Reserve Study each year to identify projects listed in the Reserve Study for that particular year; communicating with the Board to seek approval for the projects by placing the projects on the agenda for Board meetings; assisting the Community Manager in obtaining bids in a timely manner; and, if necessary, reviewing prior year's recommendations which were not completed, adding them to the current year if necessary.
4. **Rules Director. (10-12-2009)** This appointment will be responsible for ensuring that rules added, amended, or repealed by the Board are included in the minutes, changed in the published document, and on the website, with a historical footnote regarding the action that was taken.
5. **Communications Director. (2-17-2009.)** This appointment will be responsible for overseeing all communications falling under the Board's responsibilities, roles and interpretations of the CC&R's and bringing such to the Board for decision when it is appropriate. Related to the Board's role, this member will review or write the newsletter, oversee advertising, write or edit

press releases from the Board, oversee community flyers and announcements regarding the Board, and ensure volunteers are recognized and thanked for their service.

Dates listed are when these special duties were established by the Board. Paragraph 5 adopted 1-20- 2010.

Rule 3. Responsibilities for Ventana Lakes Rules

1. All Board Policies to be in Ventana Lakes Rules

- A. Any policy, rule, regulation, resolution or other action taken by the Board which could be reasonably construed as such, shall be processed pursuant to this Rule, and become part of the Ventana Lakes Rules, as referenced in the CC&R's. There shall be four sets of rules as follows:
 - 1. Rules for Homeowners.
 - 2. Rules for the Board.
 - 3. Rules for Volunteers and Committees.
 - 4. Rules for Community Management.
- B. The Board shall ensure that all current Rules for Homeowners are provided to all new homeowners in written form from the Management Office. All current Ventana Lakes Rules are to be available for viewing and downloadable from the VLPOA website, and available from the Management Office in hard copy upon request.
- C. A hard copy of the Rules for the Board shall be provided to all new Board Directors at or before the annual Organizational Meeting.
- D. A hard copy of the Rules for Volunteers and Committees shall be made available to any volunteer upon request, and provided to all Committee Chairs.

Adopted January 20, 2010.

2. Adoption of or Amendment to Rules for Homeowners

Any proposed rule or amendment to a rule which directly affects the rights, privileges or duties of the homeowners of Ventana Lakes shall be placed on the agenda of a Board meeting, read into the minutes, and published in the Ventana Views newsletter. The only exception shall be the first adoption of the new Ventana Lake Rules pursuant to Rule 2.1 above: this shall be available in full on the website, and in hard copy from the Management Office upon request.

- A. The Board shall then take written input on the proposed policy for at least 15 days until ten days before next the next scheduled regular Board meeting, and take oral comments at the scheduled Board meeting.
- B. The Board shall consider all of the issues raised by the homeowners, for or against the policy, before acting on the policy.
- C. Once the policy is adopted, it will be published in final form within the next two issues of the newsletter.

Formerly Subsection A of 2009-01 adopted March 21, 2009. Re-adopted January 20, 2010.

3. Rules for the Board, Management or Volunteers and Committees

- A. If the Board determines that a rule to be adopted or amended does not directly affect the rights, privileges or duties of the homeowners of Ventana Lakes, but is only necessary for direction to Management, volunteers, or the Board itself, the Board may cause only a summary of substantive content of the rule to be read into the minutes at a Board meeting and published in the Ventana Views newsletter.

- B. The proposed rule will be made available in full to any homeowner wishing to read it, and will be published in full on the VLPOA website.
- C. The Board shall take written input on the proposed rule for at least 15 days until ten days before next the next scheduled regular Board meeting, and take oral comments at the scheduled Board meeting.
- D. The Board shall consider all of the issues raised by the homeowners, for or against the rule, before taking action on the rule.
- E. Once the rule is adopted, its summary and availability will be published within the next two issues of the newsletter.
- F. Any homeowner may object in writing that the rule should be published in full in the newsletter because they believe it directly affects the rights, privileges, or duties of the homeowners of Ventana Lakes. The objection shall be signed by the homeowner. In this event, the Board shall publish the rule in the newsletter before adopting the rule, starting the process over in accordance with subsection (A) of this rule.

Formerly 2009-01 March 21, 2009. Re-adopted January 20, 2010.

4. Format and Publication

- A. Final additions and amendments to the Ventana Lakes Rules shall be published in the appropriate set of rules, and the date that the amendment or adoption was made added to the footnote of the rule. This will provide history and continuity.
- B. A repeal of a rule should be listed as follows: (example only)

4. repealed

Rule 2.4, Format and Publication, repealed on (date.)

If a new rule is later adopted in its place (this allows re-use of empty numbers) The footnote should be retained as follows: (example only)

4. Delivery of Rules

Rule 2.4, Format and Publication, repealed on (date.) “Delivery of Rules” was adopted on (date.)

Adopted January 20, 2010.

Rule 4. Practice and Ethics

1. Oath of Office of the Board of Directors

Each elected or appointed Director of the Board shall swear to the following Oath in open meeting, and sign the Oath as so sworn:

I swear that as a member of the Board of Directors, I will conduct the business of the corporate Association of Ventana Lakes with honesty, integrity and care, and I will at all times represent the people who are the Association and consider the welfare of the people who are the Association.

I will announce if any business of the Board may present a conflict of interest and will withdraw from discussion or voting on such business.

I will address the issues that concern my community with fairness and applied judgment, and will not be drawn into conflicts of personalities.

I will follow and uphold the laws governing my country* and the governing documents of Ventana Lakes.

Adopted by the Board May 20, 2009.

Note: the term "country" normally includes Federal and subsidiary levels of government.

Re-adopted January 20, 2010

2. Compliance with Open Meeting Law

- A. The Board shall at all times comply with ARS § 33-1804, conducting all Association business in open meeting unless:
 - 1. Receiving legal advice from an attorney.
 - 2. Discussing issues surrounding litigation. A possibility or expectation that the Association may be sued because of an action or contemplated action by the Board shall not be reason for the Board to discuss business or take any action in a closed session. The membership of the Association has the right to speak and be heard before the Association is committed to litigation, unless legal counsel, upon being given all of the known facts in the matter, provides reasonable argument otherwise to the Board.
 - 3. Personal matters involving residents or other individuals, or employee or contractor job performance, pursuant to ARS § 33-1804.
- B. Board members may distribute information to other Board members but shall not discuss Association business by e-mail, telephone, or in any manner other than in an open meeting.
- C. Board members shall not circumvent public discussion by splintering the quorum and having separate or serial discussions by meeting in person, by telephone, electronically, or through other means to discuss a topic that is or may be presented to the Board membership for a decision.
- D. The Board shall not make any verbal agreements regarding its own operations. Any internal policies for Board operation shall be formally adopted by the Board as part of the Ventana Lakes Rules and made available for review by all Association members.

Formerly part of "Rules of Practice of the Board" Policy 2008-01, adopted May 10, 2008, amended March 21, 2009, and amended May 20, 2009. Re-adopted January 20, 2010

3. Communication with VLPOA Business Partners.

Only the Community Manager, Board President, Treasurer, or other designated representative as designated by the Board, may communicate with the Association's accountant, investment advisor, or attorney

Formerly Policy 2009 - 04, Adopted June 20, 2009. Re-adopted January 20, 2010.

4. Board Members Do Not Act Independently

Board members must remember that they must always act as a unit. No individual has the authority to make decisions independently. If a homeowner seeks assistance from a Board member on a particular issue, the member shall advise them to submit their concerns in writing to the Board for consideration, or call the Manager to address an operational matter. The Board member may and should advise the President if it appears that community concerns are not being met about operational matters.

Adopted by motion October 21, 2009. Re-adopted January 20, 2010.

5. Access to Homeowners' Records

Collectively, the Board has authority that an individual Board member should not. Any request by a Board member for homeowner information should come through the Board collectively. If the situation does not allow this, and the Community Manager provides the information to the Board member, the Community Manager shall document the request and share it with the Board

Adopted by motion October 21, 2009. Re-adopted January 20, 2010.

Rule 5. Finances

1. Financial Signatory Authority

- A. The positions of President and Treasurer shall be designated as having signatory authority on all Association financial documents.
- B. A minimum of two signatures shall be required for all financial documents.
- C. Signatures shall not be made by stamp or electronic methods.

Formerly resolution R2008-09-01 adopted September 13, 2008. Re-adopted January 20, 2010

2. Capitalization

Ventana Lakes assets are capitalized at \$2500.

Adopted by motion November 18, 2009. Re-adopted January 20, 2010.

3. Authorization for Payment of Invoices.

The Treasurer and/or a Board member designee will be charged to review invoices presented to Community Management for payment on a weekly basis. The appointed Board member will check to ascertain that the expenditure is for valid Association business, that the appropriate account code has been written on the invoice and that the total funds due are correct, then stamp the invoice to indicate the invoice is approved for payment, and initial the invoice.

Adopted December 19, 2009. Re-adopted January 20, 2010.

4. Contingency Fund

- A. It is the intent of the Board that 10% of the amount normally designated to the serve fund shall be placed into a contingency fund. The purpose of the contingency fund is to make funds available for unexpected expenses not covered by the Reserve Study, and in this manner avoid special assessments for unanticipated expenses. These funds will be deposited into an interest bearing account with a cap of \$40,000. Any funds in excess of this amount will be deposited into the Reserve Account.
- B. The Board will review the contingency fund annually as part of the Budget process to determine if deposits can be made as a separate line item in the budget instead of being taken from the Reserve allocation.

Adopted December 19, 2009.

5. Collections

The Board shall address nonpayment of assessments pursuant to Rules For Homeowners, Rule 7, Section 10.

Referenced rule adopted January 20, 2010.