

VENTANA LAKES RULES FOR THE BOARD
Rule 8. Board of Director Rules

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8.1. Board Meetings

A. 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 shall not 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

B. Video and Audio Recording Association Meetings

- 1) All video or audio recording of meetings shall be in accordance with the following rules.
- 2) Only those with a legal right to attend the meeting may record the meeting. A person intending to record a meeting must provide the Board with written notice that the meeting will be recorded.
 - a. If the Board gives 7 or more days notice of the meeting, the person recording the meeting will give the Board at least 72 hours advance notice.
 - b. If the Board gives less than 7 days notice of the meeting, the person taping the meeting will give the Board at least 24 hours advance notice.
- 3) Any person recording a meeting must not interfere with the meeting or the view of the meeting by any attendees. Any person recording must remain a reasonable distance from the Board and any other attendee. The presiding officer at a meeting will determine what is reasonable.
- 4) The Board does not guarantee that any power source will be available, but if one is the board's presiding officer may allow its use.
- 5) Without prior written Board consent, no recording may be published, via internet, web site or any other means, to people who did not have a right to attend the meeting.

Adopted June 18, 2011

C. Requirements for Board Meetings

- 1) All Board meetings except Executive Sessions shall be open to the Association membership.
- 2) 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.

- 3) The Board shall take all reasonable care that persons attending Board meetings are able to hear and participate in the proceedings. However, after Board members have had the opportunity to consider a subject, but prior to a Board vote, members of the audience who are Ventana Lakes residents may be allowed by the meeting's presiding officer to speak once on the subject -- for up to three minutes -- unless the board majority votes against it or establishes a different time limit or procedure.
- 4) Preparation for regularly scheduled Board Meetings:
 - a. The President calls for agenda items at least ten days before the meeting, and may accept them up to five business days prior to the meeting day when developing the agenda. Agenda items are by definition proposals or issues upon which the Board is being asked either to take action or to inform the community. 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 business days prior to the meeting.
 - c. Documents to be considered at board meetings are to be distributed to the Board one week prior to the date of the meeting.

a and b were formerly in "Rules of Practice" 5-20-2008 – 5-20-2009. Re-adopted January 20, 2010. c was adopted 9/15/2011

D. Manner of Noticing Board Meetings

- 1) 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:
 - a. 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 pressing 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" Or "Discussion items." Whenever possible the manager shall provide 48 hours advance notice to board members on the subject matter of last minute agenda additions.
 - b. 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.

- 2) Any Board Meetings to be held outside of the regularly scheduled monthly Board meetings shall be noticed in the same manner as above.
- 3) 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

E. Rotation of Monthly Board Meetings

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

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

Special care will be taken to avoid meetings on holidays that are nationally recognized or religious in nature and which have an identified potential to be celebrated by community members.

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.

F. Executive Sessions

- 1) Only matters specified by law and in the CC&R's may be discussed at Executive Sessions of the Board.
- 2) Any Board member who believes the above is being violated shall immediately bring this to the attention of the remainder of the Board.
- 3) 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

8.2. Duties of Officers of the Board

A. Board President

- 1) In addition and pursuant to the Bylaws, Article V, Section E, the Board President shall:
 - a. Serve as the immediate supervisor of the Community Manager.

- b. Maintain personnel records of the Community Manager, and ensure that these records and the current or most recent contract with the Manager are passed on to the new President immediately upon appointment.
 - c. 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.
- 2) The Board President is not required to vote, but may vote at Board meetings, including to resolve a tie.

Adopted January 20, 2010

B. Vice-President

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

Adopted January 20, 2010

C. Secretary

- 1) In addition and pursuant to the Bylaws, Article V, Section G, the Board Secretary shall:
 - A. Ensure that all Board meetings, except executive sessions are recorded, when approved by the board, and take notes at all meetings reflecting the discussion of issues and the decisions made.
 - B. Oversee process for minutes of open meetings and list all minutes to be done and when they are completed (through approval by the Board).
 - C. Take minutes at Executive Sessions.
 - D. Write letters as directed by the Board.
- 2) All minutes prior to Board approval shall be marked "PENDING APPROVAL(with the date of the meeting and the date prepared)."
- 3) 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

D. Treasurer

- 1) 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.

- 2) The Treasurer shall have the authority to act immediately as it relates to the financial amount the association may recover regarding a short sale of a delinquent property and shall as soon as practical notify all Board members of the action taken.

Adopted June 18, 2011

- 3) The Treasurer shall have the authority without prior Board of Director approval to write off bad debt in any amount up to and including \$1,000 and shall include all actions taken in the next monthly Treasurer's report.

Adopted June 18, 2011

- 4) The Board Treasurer shall serve as the Chair of the Finance Committee.

Adopted February 17, 2010

E. Presiding at Board Meetings

- 1) 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.
- 2) Any board member may chose to participate in a meeting by telephonic means excluding the chair of the particular meeting.

Amended July 2009; Re-adopted January 20, 2010

F. Special Duty Assignments

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

- 1) **Government Liaison. (3-14-2008)** The Board may appoint a Board member to be liaison to the City and/or other governmental bodies on behalf of the community of Ventana Lakes. The duties include:
 - a. Attending Peoria City Council Meetings.
 - b. Representing VLPOA positions on matters which come before the City Council and which affect Ventana Lakes.
 - c. Reporting to the Board and community on government matters affecting Ventana Lakes.
 - d. Meet and confer with governmental employees as the 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, rule #11.)
- 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 position 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 position will be responsible for communication to the board any discrepancies regarding responsibilities, rules and interpretations of the CC&R' Related to the Board's role, this member will, 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[Needs review after September board meeting for board action.]

- 6) **Backup signatories for treasurer (1/2011)** In the absence of the treasurer, backup signatory authority shall be granted under the following procedure:
 - a. The board shall give two other board members the authority to sign vouchers.
 - b. The designation will be by majority vote of the board on nominations from the president.
- 7) **Security passwords designees (1/2011)** A board member shall be identified to have responsibility for insuring that password protocols are followed including, as a backup, knowing what the current building, computer system and web site passwords are.

8.3. Responsibilities for Ventana Lakes Rules

A. All Board Policies to be in Ventana Lakes Rules

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 sets of rules as follows:

Rules for Homeowners

- 1) Architectural and Landscaping Requirements
- 2) Gardens Landscaping Requirements
- 3) Common Areas and Facilities
- 4) Fees and Charges, Requests for Records
- 5) Contracting with the Association
- 6) Rental of Homes
- 7) Compliance, Conduct, Due Process

Rules for Administering VLPOA

- 8) Rules for the Board
- 9) Rules for Community Management
- 10) Rules for Volunteers and Committees
- 11) Rules for the Architectural Committee
- 12) Rules for the Lakes Committee
- 13) Rules for the Landscape Committee
- 14) Rules for the Finance Committee
- 15) Rules for the Elections Committee
- 16) Rules for the Gardens Advisory Committee
- 17) Rules for the Incentive Pay Committee

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.

A hard copy of the Rules for the Board shall be provided to all new Board Directors at or before the annual Organizational Meeting.

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

B. 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, and read into the minutes.

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

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

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

- 1) 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.

- 2) 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.
- 3) The Board shall take written input on the proposed rule until ten days before next the next scheduled regular Board meeting, and take oral comments at the scheduled Board meeting.
- 4) The Board shall consider all of the issues raised by the homeowners, for or against the rule, before taking action on the rule.
- 5) Once the rule is adopted, its summary and availability will be published within the next issue of the newsletter.

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

D. Format and Publication

- 1) 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.
- 2) 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

8.4. Practice and Ethics

A. 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, the State of Arizona, and the governing documents, rules and guidelines 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

B. Compliance with Open Meeting Law

- 1) The Board shall at all times comply with ARS § 33-1804, conducting all Association business in open meeting unless:
 - a. Receiving legal advice from an attorney.
 - b. 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.
 - c. Personal matters involving residents or other individuals, or employee or contractor job performance, pursuant to ARS § 33-1804.
 - d. Deliberating the merits of any appeal to the board on a ruling involving rule enforcement. *State law effective July 20, 2011.*
- 2) 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.
- 3) The Board members shall not make any verbal agreements regarding board 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

C. 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

D. Board Members Do Not Act Independently

- 1) Board Members must remember that their authority comes from acting as a unit. To clarify: Bylaw Article V, Section E, which states the Board President shall be the chief executive of the corporation and shall have all the general powers and duties which are usually vested in the office of the President of a corporation, **is not intended to provide the President with the authority to act without informing all Board Members as soon as practical after an independent decision was made.**
- 2) If a Homeowner seeks **assistance** from the board, in an email to all Board Members, it shall be the President, rather than an individual member, who replies on behalf of the Association.
- 3) If a Board Member receives an individual email seeking **assistance** on a particular issue, the member should advise the Homeowner to call the Office Manager on any Operational matter.
- 4) The Board member shall advise the President if it appears that a community concern about an Operational matter is not being met.
- 5) 5. Board members may individually **discuss** community issues with residents, but shall not make individual decisions, and should inform all Board Members to prevent duplication of efforts/resources and to ensure **all Board Members** are aware of community issues.
- 6) To avoid running afoul of the state open meeting law, Board members should avoid using the “reply all” function to respond to **Board** members on issues likely to come before the Board.

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

E. Access to Homeowners' Records

Collectively, the Board has authority that an individual Board member does not. Any request by a Board member for personal identification information, contained on homeowner files, 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

8.5. Finances

A. Financial Signatory Authority

- 1) The positions of President and Treasurer shall be designated as having signatory authority on all Association financial documents.
- 2) A minimum of two signatures shall be required for all investment documents and accounts.

3) Signatures shall not be made by stamp or electronic methods.
Formerly resolution R2008-09-01 adopted September 13, 2008. Re-adopted January 20, 2010

B. Capitalization

Ventana Lakes assets are capitalized at \$2,500.
Adopted by motion November 18, 2009. Re-adopted January 20, 2010

C. 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 an as needed 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

D. Contingency Fund

- 1) It is the intent of the Board that 10% of the amount normally designated to the Reserve Fund shall be placed into an operational budget account. The purpose of the contingency fund is to make funds available for unexpected expenses, and in this manner seek to avoid special assessments for unanticipated expenses. These funds will be deposited into an interest bearing account.

The Board will review the contingency fund annually as part of the Budget process.
Adopted December 19, 2009

E. Collections

The Board shall address nonpayment of assessments pursuant to Rules For Homeowners, Rule 7, Section 10.
Referenced rule adopted January 20, 2010