

DREAMLAND VILLA RETIREMENT COMMUNITY BY LAWS
Incorporates items approved by the Membership at the January 9, 2018 Annual Meeting
Revision Dated January 9, 2018

ARTICLE I, THE PRESIDENT

Section 1. It shall be the duty of the president to preside at all meetings and enforce all rules and regulations relating to the administration of the Dreamland Villa Retirement Community.

Section 2. The president shall call meetings of the Dreamland Villa Retirement Community or Board when he or she deems it necessary, or when requested by the Board, or upon receiving a written request by Dreamland Villa Retirement Community members, signed by at least one hundred (100) members.

Section 3. The president shall provide all Board members with a copy of the Articles of Incorporation and By Laws of the Dreamland Villa Retirement Community, and any amendments thereto. Moreover, to the extent any reference is made in the By Laws of Dreamland Villa Retirement Community (or any other document) to the "Constitution of Dreamland Villa Community Club" (hereafter "Constitution"), such references are hereby deleted and the Constitution is hereby extinguished as such a document is not necessary for the operation of a corporation pursuant to Arizona law.

ARTICLE II, THE VICE PRESIDENT

Section 1. In the absence of the president, the vice president shall have all the powers, prerogatives and duties of the president.

ARTICLE III, BONDING

Section 1. The treasurer, and such other persons who handle Dreamland Villa Retirement Community funds as the Board shall determine, shall be bonded, the bond to be paid by the Dreamland Villa Retirement Community.

ARTICLE IV, SECRETARY

Section 1. The secretary shall enter in proper books all resolutions and proceedings of the meetings of the Dreamland Villa Retirement Community and of the Board.

Section 2. The secretary shall record and publish all minutes of the Board meetings.

Section 3. The Board may from time to time elect one or more assistant secretaries to perform such duties as the Board may determine.

Section 4. Within ten (10) days of each Board meeting the secretary shall post a copy of the official minutes on the official bulletin board of the Dreamland Villa Retirement Community, and publish them in the next issue of the *Citizen*.

ARTICLE V, TREASURER

Section 1. All disbursements of the Dreamland Villa Retirement Community shall be made by checks signed and countersigned. The signatures shall be by authorized members of the Board of Directors of the Dreamland Villa Retirement Community.

Section 2. The treasurer shall receive, keep an accurate account of, and be responsible for all Dreamland Villa Retirement Community funds received by him or her.

Section 3. The treasurer shall disburse Dreamland Villa Retirement Community funds, other than ordinary operating expenses, only on the directive of the Board.

Section 4. The treasurer shall deposit all Dreamland Villa Retirement Community funds to the account of the Dreamland Villa Retirement Community, in a federally insured account at a federally insured financial institution designated by the Board.

Section 5. The treasurer shall make a report of the Dreamland Villa Retirement Community financial standing at each meeting of the Board and at each Dreamland Villa Retirement Community meeting, post it on the official bulletin board and publish it in the next issue of the *Citizen*.

Section 6. The treasurer shall post the annual statement of financial conditions after the acceptance of the audit by the Board, on the official bulletin board and in an official Dreamland Villa Retirement Community publication.

Section 7. The Board may from time to time elect one or more assistant treasurers to perform such duties as the Board may determine.

ARTICLE VI, BOARD OF DIRECTORS

Section 1. The Board of Directors shall consist of seven (7) members whose terms shall be determined as specified in Article XI, Section 4, below.

Section 2. It shall be the duty of the Board to execute the policies of the Dreamland Villa Retirement Community.

Section 3. A majority of the votes cast, unless a greater percentage may be stipulated by the Board, shall constitute the decision of the Board and that of the Dreamland Villa Retirement Community on all matters, except for those matters reserved exclusively for approval by the General Membership.

Section 4. The Board of Directors shall appoint, at the beginning of each fiscal year, a committee of three (3) qualified voting members in good standing to perform the audit and review of the Dreamland Villa Retirement Community's financial records and procedures. All audit reports shall be completed no later than one hundred and eighty (180) days following the end of the corporation's fiscal year and shall be made available, upon request, to the Members within thirty (30) days of the audit's completion.

Section 5. A member of the Board must be available for all Board meetings from October through May. A member of the Board who has two (2) or more consecutive unexcused absences from

ARTICLE VI, BOARD OF DIRECTORS, Continued

meetings of the Board may be removed from office by a two-thirds vote of a quorum of Board members present at a Board meeting.

Section 6. The Board of the Dreamland Villa Retirement Community shall not, on behalf of the Dreamland Villa Retirement Community, borrow, or lend money, nor authorize the officers of the Dreamland Villa Retirement Community to borrow or lend money on behalf of the Dreamland Villa Retirement Community, unless each such transaction is approved by a two-thirds vote of the voting

members present at a meeting called for that purpose with at least ten (10) days-notice of the meeting and the purpose.

Section 7. To the extent any vacancy is created on the Board, for whatever reason, such vacancy shall be filled by a vote of a quorum of the remaining members of the Board and the person so elected to fill the vacancy shall serve until the next scheduled election.

Section 8. No Board member, nor any individual who has an economic or family relationship with a Board member, shall receive any compensation, other than reimbursement for approved expenses, from any funds of the Dreamland Villa Retirement Community during the term of office of the Board member. For purposes of this section, economic relationships include a roommate, landlord/tenant, and the like, and family relationships including marriage, monogamous relationships, parents, grandparents, siblings, in-laws, aunts, uncles, step relatives, etc.

Section 9. It shall be the duty of the Board to take care of, control and manage all the assets of the Dreamland Villa Retirement Community, and to maintain existing facilities in good repair, assigning and reassigning space as needed.

Section 10. The Board shall not authorize a capital expenditure (an expenditure for the addition or improvement to new or existing properties) in excess of twenty thousand (\$20,000.00) dollars without the approval of a majority of the voting members present at a regular or special meeting of the Dreamland Villa Retirement Community's general membership, that the membership shall be advised of such an expenditure with at least thirty (30) days prior notice published in the "*Citizen*" of such meeting, and that any expenditure over this amount for maintenance or repair shall not be subject to this rule but shall require approval of the Board of Directors.

ARTICLE VII, STANDING COMMITTEES

Section 1. Standing and ad hoc committees shall be appointed by the president with the advice and consent of the Board.

Section 2. Standing committees shall give a written report of their activities and recommendations at the monthly Board Meeting, and provide a final report at the annual meeting of the Dreamland Villa Retirement Community, these reports to be filed with the secretary.

ARTICLE VIII, MEETINGS

Section 1. The annual meeting of the Dreamland Villa Retirement Community shall be held the second Tuesday of each January and shall include the presentation of candidates nominated for

ARTICLE VIII, MEETINGS, Continued

election to the Board of Directors and any other pertinent club business appropriately placed in advance on the meeting's agenda.

Section 2. A special Dreamland Villa Retirement Community meeting may be held the first workday of April at 1 P.M. to report the results of the election of directors and officers and to install the incoming directors and officers.

Section 2a. The treasurer may give his annual report at the meeting on the second Tuesday of March at 2 p.m., or it shall be published in the first available issue of the *Citizen* and posted on the bulletin board at Read and Farnsworth Halls. Annual reports of officers and committee chairpersons of the outgoing Board of Directors may also be given.

Section 2b. Dreamland Villa Retirement Community meetings may be held on the second Tuesday of March at 2 p.m. and the second Tuesday of November at 2 p.m. for the purpose of considering any

properly presented Dreamland Villa Retirement Community business and/or discussing any matters of the Dreamland Villa Retirement Community 's interest.

Section 3. Special meetings shall be held as outlined in Article 1, Section 2, of the By Laws.

Section 4. Board meetings may be held on the second Tuesday of each month at 9 a.m. (except June, July, August and September).

Section 5. The President may hold a study session of the Board prior to a regularly scheduled meeting of the Board of Directors for the primary purpose of discussing topics to be included at the next Board meeting and to set the agenda for the next Board meeting, such meeting to be scheduled at a date and time not less than five (5) working days prior to the Board meeting. Members of the Dreamland Villa Retirement Community may attend as observers and shall only be permitted to participate in discussions if so invited by the presiding officer.

ARTICLE IX, QUORUM

Section 1. One hundred (100) voting members shall constitute a quorum at all general meetings.

Section 2. A quorum shall be determined by the majority of the number of Board members stipulated in the By Laws. For example, if the Board should consist of seven (7) members but there are vacancies, the majority will still be determined using seven (7) as the determining number. A quorum of this Board would then be four (4) .

ARTICLE X, RULES

Section 1. All meetings shall be conducted in accordance with these By Laws, the Arizona statutes to the extent these By Laws are otherwise silent, and Robert's Rules of Order, as revised.

Section 2. The Board shall appoint a Parliamentarian to advise on parliamentary procedures when necessary.

ARTICLE X, RULES, Continued

Section 3. All members of the Dreamland Villa Retirement Community shall be required to show their current membership cards when attending business meetings, elections, and other official functions of the Club for identification, except where public attendance is permitted by the Board of Directors.

Section 4. No smoking will be allowed in any of Dreamland Villa Retirement Community indoor facilities or in the pool areas, showers or restrooms.

Section 5. Dreamland Villa Retirement Community shall operate on a calendar year - from January 1 through December 31.

Section 6. The By Laws may only be changed by a majority vote of the general membership.

ARTICLE XI NOMINATION AND ELECTION OF BOARD MEMBERS AND OFFICERS

Section 1. The nominating committee shall consist of five (5) voting members to be appointed by the president and approved by the Board at the October meeting of the Board.

Section 1a. The nominating committee shall present a slate of candidates of voting members for the Board at the January membership meeting. Members interested in being candidates for the Board shall have until January 1st to announce their candidacy to the Nominating Committee

Chairperson. The number of candidates nominated by the nominating committee shall equal at least the total number of Director vacancies. (This revision shall be effective with the 2017 election.)

Section 2. Election shall be by secret ballot supervised by tellers appointed by the president. They shall receive the ballots and tabulate the results. All ballots, voted and blank, must be accounted for and kept on file for six (6) months. Counting shall be at Read Hall. Poll watchers may observe.

Section 3. Election of candidates to the Board shall be conducted on the second Tuesday in February between the hours of 8:00 a.m. and 7:00 p.m. at polling places designated by the Board and under rules established by the Board.

Section 3b. The names of candidates shall be listed on the ballot in alphabetical order in even years and in the inverse order in odd years.

Section 3c. The ballot shall not indicate any political or other affiliation of any of the candidates. Membership cards must be presented at the time of voting. Absentee ballots will be accepted from members in good standing for the election of candidates to the Dreamland Villa Retirement Community Board of Directors according to the procedures set forth in the Administrative Policy and Procedure Manual.

Section 4a. In order to maintain the Board at the prescribed level, an appropriate number of Directors shall be elected each February. Candidates receiving the highest number of votes shall fill any three-year term vacancies, then in descending order, two-year term vacancies, and one-year term vacancy. Three Director seats shall be designated to have three-year terms, three Director seats shall be

ARTICLE XI, NOMINATION AND ELECTION OF BOARD MEMBERS AND OFFICERS, Continued

designated as two-year terms, and one Director seat shall be designated to have a one-year term. In case of a tie vote, a flip of a coin shall determine the winner.

Section 4b. A director who has served two consecutive terms, not to exceed a total of six (6) years, shall not be eligible for re-election to the Board until there is a lapse of at least one (1) year following the last term served. A newly appointed director filling out a partial year until the next election shall remain eligible for election to two full consecutive term. Further, a Board member resigning for any reason, prior to the end of his/her elected term, will be prohibited from running for or being appointed to the Board again until the end of his/her elected term plus one year.

Section 5. After the February election and prior to the first workday in April the president shall call a meeting of the newly elected directors and the carry over directors solely for the purpose of electing officers from among their number to serve for one-year officer terms commencing on the first workday of April.

ARTICLE XII, MEMBERSHIP AND DUES

Any fee requested is a voluntary contribution. No fee is mandatory.

Section 1. All persons residing within the 18 sections of Dreamland Villa and renters of apartments that are located at 315 (APN: 141-75-096 B & G), 321 (APN: 141-75-096 C) and 333 (APN: 141-75-096 E & L) N. Higley Road; 5233 E. University Dr. (APN: 141-75-096 M, N, P & Q); 6732, 6742 and 6750 (APN: 141-62-013 H, J & K) E. Dallas St.; 245 N. 56th St.(APN: 141-49-041 F); 5631 E. University Dr. (APN: 141-49-041 D); 5825 E. University Dr. (APN: 141-49-006 J, K, L, M, P, Q, R & S); and 5925 E. University Dr. (APN: 141-49-006 E) that are not situated within the 18 Sections,

provided such renters meet the residency standards established in the Senior Overlay Zoning Designation, may purchase a voting membership in the Dreamland Villa Retirement Community pursuant to the Administrative Policy and Procedure Manual. Annual fees shall be the same for all classes of membership. Memberships may not be purchased for, by or on behalf of any person not a resident of Dreamland Villa or of the apartments described above. Membership cards shall only be issued to individuals and not to groups of individuals. A non-voting social membership shall be available to care givers, boarders, and household help of a member in good standing of the Dreamland Villa Retirement Community. Payment of the annual fees shall entitle the purchaser of the social non-voting membership to only be able to use the facilities of the Dreamland Villa Retirement Community and to participate in any of the social activities carried on by the Dreamland Villa Retirement Community. Non-voting members shall have no vote in the election of Board members and shall not be able to vote on any amendments to the Articles of Incorporation or on any other official matter, and may not be eligible to be a candidate for election to the Board of Directors but may participate as a member of a committee.

Section 2. Annual fees for each calendar year shall be established by the Board no later than December 31 of the previous calendar year and shall be due on or before January 31 of the new membership year. If the Board establishes annual fees for any amount that exceeds that of the previous year by more than 10% then such dues increase shall be referred to the general voting membership of the Dreamland Villa Retirement Community at a special meeting for approval or disapproval. If a majority of the valid votes cast on the issue by the voting members present do not approve the annual

ARTICLE XII, MEMBERSHIP AND DUES, Continued

fees increase, the fees for the ensuing year shall not exceed that of the previous year by more than 10%.

Section 3. If the Board fails to establish the annual fees prior to the beginning of a calendar year, then fees for that year shall be the same as the fees for the immediate preceding year, and shall be due and payable as stated in Article XII, Section 2.

Section 4. New property owners, at the time of escrow closing, shall be requested to pay, in addition to the annual fee, a one-time Transfer Fee. The Transfer Fee is to be established by and may, from time to time, be modified by the Board of Directors. Only one Transfer Fee may be charged for a residence regardless of the number of individuals residing in that residence. The Transfer Fee is not applicable to transfer of ownership between family members, i.e., spouses, parents, siblings or children.

Section 5. New members shall pay 1/12th, to the nearest whole dollar, of the current annual fees for each month, including any partial month, remaining to the end of the current year. There shall be no refund of annual fees paid should a membership, for any reason, be terminated. For purposes of this Section, a new member shall be defined as an individual who has not been a member of Dreamland Villa Retirement Community during the previous membership year.

Section 6. If a member in good standing relocates to a new residence within Dreamland Villa, the annual fees paid are transferable with the member to the new residence for the remainder of the current year.

Section 7. Dreamland Villa Retirement Community memberships not renewed by January 31st of the current membership year shall be deactivated. Such memberships may be reactivated during the same membership year that the membership was allowed to lapse by paying all unpaid membership annual fees plus a Dreamland Villa Retirement Community membership re-activation fee, such re-activation fee to be established by and that may, from time to time, be modified by the Board of Directors. Such

memberships allowed to lapse into subsequent membership years will be considered terminated and may only be restored by paying the most recent one year's unpaid annual fees plus a Dreamland Villa Retirement Community membership reinstatement fee to be established by and that may, from time to time, be modified by the Board of Directors. All membership rights shall be suspended during any period in which the annual fees and any other membership related fees remain unpaid.

Section 8. Membership privileges and benefits shall be suspended by the Board for any person who: violates the rules and regulations of the Dreamland Villa Retirement Community; is charged with sexual harassment, with a deliberate act that causes interference and/or harassment to other individuals, particularly the physically challenged, or with the use of lurid or profane language and/or the conducting of one's self in an offensive, suggestive or rude manner while on or in Dreamland Villa Retirement Community property or facilities; or causes Dreamland Villa Retirement Community to incur any costs, including legal fees, regardless of whether a lawsuit is filed; or violates Dreamland Villa Retirement Community's governing documents and fails to correct the violations after notice is given in writing to such member.

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ARTICLE XII, MEMBERSHIP AND DUES, Continued

Section 9. The Declaration of Restrictions and Amendments thereto, attached to the real property located within one of Dreamland Villa's eighteen (18) sections, establishes that Dreamland Villa is a community for the retired and semi-retired, and each dwelling unit shall be occupied by at least one resident aged fifty-five years of age or older, and that no person eighteen (18) years of age or younger shall reside in a dwelling unit for a period longer than 90 days. It shall be the policy of the Dreamland Villa Retirement Community to establish policies and procedures to comply with the requirements set forth in the US Department of Housing and Urban Development Housing for Older Persons Act of 1995, Final Rule Effective May 3, 1999, and the Maricopa County Zoning Ordinance, Chapter 10 – Overlay Zoning Districts, Section 1006. Senior Citizen Overlay.