



**DC Ranch Association
Policy 104
Policy on Board Governance**

Policy 104

Date of Adoption:

Effective Date:

Last Revised: November 28, 2017

104.1 Purpose: The purpose of this policy is to define governance procedures of the Board of Directors.

104.2 Scope: This policy applies to all members of the DC Ranch Association Board of Directors. Its scope is to bring attention to, and clarify where needed, important procedures and requirements related to the governance of the Association. Additional information can be found in the Association's CC&Rs, Bylaws, Articles of Incorporation and Arizona Revised Statutes (Governing Documents). Should a conflict regarding language in this policy and the Governing Documents occur, those documents have precedence over this policy. Further, should a situation arise that is not addressed by the Governing Documents, applicable policies can be written to provide direction and procedures, provided the foregoing are within the spirit of the Governing Documents.

104.3 Responsibility/Authority: The Ranch Association Board of Directors.

104.4 Introduction: The Association's mission statement is as follows: To serve all DC Ranch Stakeholders through the professional management and protection of the community's fiscal and environmental assets. DC Ranch Association delivers high quality and consistent operations, landscape, maintenance and security services with an emphasis on customer care and open communication that result in sustained property values and exceptional quality of life. This policy will provide guidance to the Board of Directors as it endeavors to govern the community.

104.5 Removal from the Board: Pursuant to Article 3.6 of the Bylaws, Directors can be removed by a majority of the directors present at a regular or special meeting, at which a quorum is present, if the director:

1. Becomes more than 30 days delinquent paying all assessments, fees and fines even if such assessments, fees or fines are disputed.
2. Is absent for three consecutive regularly scheduled board meetings.
3. No longer owns a home in DC Ranch Association, or is no longer a resident.

104.6 Board Meeting Attendance and Quorum: A quorum is required at a board meeting for the Board to conduct business. Pursuant to Article 3.12 of the Bylaws, at all board meetings, a majority of the directors shall constitute a quorum. Pursuant to Article 3.11 of the Bylaws, directors may attend the meeting telephonically or by any other means of voice communication as long as all participants of the meeting can hear and understand each other.

104.7 Authority of the Executive Director: Article 4.4 of the Bylaws provides that the Board President shall be the Chief Executive Officer. Pursuant to Article 3.20 of the Bylaws, the Board may delegate such powers necessary to carry out the duties and services required to operate the business. The Executive Director thereby, has full authority and responsibility to manage all employees, finances and activities of the Association except as limited by this Section 104.7, by Sections 104.8 and 104.10 of this policy and by any other approved policy. Specific limitations on the Executive Director's authority include:

1. The Executive Director must comply with all approved policies.
2. The compensation budget approved by the Board each year shall be adhered to. Deviations from that plan require approval from the Board of Directors.
3. All contracts with a greater annual value of \$150,000 must be approved by the Board.

104.8 Expense Signature Authority:

104.8.a Executive Director's Expense Authority: The Executive Director is authorized to approve Ranch Association expenses as follows:

- Planned and scheduled replacement/repair reserves expenses not exceeding \$150,000
- Unplanned replacement/repair reserves expenses not exceeding an aggregate of \$50,000 in one fiscal year
- Reallocation and timing of replacement/repair reserve expenses among approved planned reserve expenses not to exceed \$100,000 in one fiscal year
- Reallocation and timing of replacement/repair reserve expenses from approved planned reserve expenses to unplanned reserve expenses not to exceed an aggregate of \$20,000 in one fiscal year
- Recurring operational expenses approved by the Board with its annual budget approval
- Other non-budgeted operating expenses not exceeding \$25,000

104.9 Spokespersons: The Board President and the Executive Director are authorized to speak or make statements on behalf of the Association. No other members of the Board or staff are so authorized. All inquiries for information or requests for a statement from the media, residents, governmental figures of all levels and all other entities must be referred to one of those two people.

104.9.a Involvement in Non-DC Ranch Activities: Directors may attend and participate in meetings or events organized by, or involving, individuals, groups or other entities not affiliated with DC Ranch, including meetings held by the City of Scottsdale or other government agencies. Absent prior approval from the Board President, a Director may not represent, either explicitly or implicitly, that he or she is attending or participating in any such meeting or event as a representative of, or on behalf of DC Ranch or DC Ranch Association. Additionally, if name badges are worn, the Director's badge may not display any affiliation with DC Ranch or DC Ranch Association, and any program, handouts, slides or other printed material prepared for the meeting or event must similarly exclude the Director's affiliation.

104.10 Items Requiring Board of Directors' Approval: The following items must be approved by vote of the Board of Directors:

- All policies other than policies directed to the day-to-day management of the staff
- The Executive Director's annual review and compensation plan
- The annual operations and reserves budgets
- The choice of the auditor and the contract with the auditor
- All standards enforced in the community
- Any additions or reductions in Association authority (Examples include: adding or removing neighborhoods, management or oversight of sub-associations, additional or reduced authority over modifications, etc.)
- Expenses greater than those listed in 104.8.a above
- Minutes of regular and special board meeting and of Executive Sessions of the Board
- Disciplinary action taken against a Board member up to and including removal
- Appointment of replacement directors
- Disciplinary related lawsuits against members

104.11 Voting: The Board of Directors can only conduct business when a quorum is present at the beginning of the meeting. To vote, directors must be in attendance at the meeting (in person or telephonically) when the vote is taken, must be in compliance with Article 3.6 of the Bylaws (attendance and current on assessments), and not have a conflict of interest in the matter as defined by Policy 103. Board members may abstain from a vote in their sole discretion. Any matters brought to a vote at any board meeting must achieve 51% or greater of attending members' votes in favor to pass.

104.11.a Vote of Board President: Pursuant to Robert's Rules of Order the Board President may only vote on a matter if there is a tie vote.

104.11.b Pursuant to Article 2.7 of the Bylaws, if a quorum is achieved and a meeting has commenced and subsequently one or more members leave the meeting, business can still be transacted as long as the matter up for vote receives a majority of the votes of the original quorum or greater.

104.11.c Voting by Proxy: Voting by proxy is not allowed pursuant to Non-profit Act at §10-3824(G).

104.11.d Action Without a Formal Meeting: Pursuant to 3.16 of the Bylaws, any action that may be taken at a board meeting may be taken without a meeting if written consent, setting forth the action so taken, is signed by all directors. Such consent shall have the same force and effect as a unanimous vote.

104.12 Notice of Board Meetings and Committee Meetings: Notice for meetings of the Board is required as listed in the chart below:

Meeting Type	Notice to Board Members	Notice to Residents
Annual Member Meeting	N/A	Written notice not less than 10 days, no more than 50 days
Regular Board Meeting	48 hours	48 hours - posted on website
Executive Session of the Board	48 hours	48 hours - posted on website
Special Board Meeting – called by President, Vice President, or two directors	48 hours	48 hours - posted on website
Membership Meetings	N/A	Written notice - not less than 10 days, no more than 50 days
Board Workshop	48 hours	48 hours - posted on website 48 hours prior to meeting

104.13 Notice of committee meetings is required as listed below:

Meeting Type	Notice to Committee Members	Notice to Residents
Standing Committee Meetings (standing and ad-hoc)	48 hours	48 hours – posted on website

104.14 Board of Directors' Meeting Calendar: At the beginning of each fiscal year, the Board President will publish a Board Calendar. The Board Calendar will list all regularly scheduled board meetings and will highlight special presentations requested by the Board throughout the year. The purpose of the calendar is to ensure all major operating elements of the Association are reviewed in open session with the Board.

104.15 Executive Sessions of the Board: Pursuant to Arizona Revised Statute §33-1804, the Board may close any portion of a meeting of the Board if that portion of the meeting is limited to consideration of one or more of the following:

1. Legal advice from an attorney for the Board or the association. On final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment.
2. Pending or contemplated litigation.
3. Financial information about an individual member of the association, an individual employee of the association, an individual employee of the managing entity or an individual employee of a contractor for the association or managing entity.
4. Matters relating to the job performance of, compensation of, health records of, or specific complaints against, an individual employee of the association, an individual employee of the managing entity or an individual employee of a contractor of the association or managing entity who works under the direction of the association or the managing entity.

Approved By: _____ Date _____
Board President or Secretary

Effective Date: _____