



Noteworthy Revisions to the Amended & Restated Bylaws

Following are the changes to the Amended & Restated Bylaws that are not merely re-organization. Notes appear in red text.

AMENDMENTS TO CONFORM TO ARIZONA REVISED STATUTES:

5.3 Notice of Meetings. Written notice of the date, time and place of the annual meeting or any special meeting shall be given to each eligible GVR Member no less than thirty (30) days nor more than sixty (60) days prior to the meeting, and in the case of a special meeting, the notice shall set forth the nature of the business to be transacted. [Art. IX, Sec. 3]. The maximum notice of 60 days was added to meet the requirements of A.R.S. 10-3705(A).

5.5 Voting Rights. GVR Members who are eligible to vote may cast one (1) vote in any matter put to a vote of the GVR Membership; provided, however, there shall be no more than one (1) vote cast for each GVR Property. The vote for each GVR Property must be cast as a unit and fractional votes shall not be permitted. If a vote is cast on behalf of a GVR Property, it will thereafter be conclusively presumed for all purposes that the individual casting such vote was acting with the authority and consent of all co-owners of such GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, none of the votes shall be counted and all of the votes for such GVR Property shall be deemed void. [Art. II, Sec. 6(A)]. The second (2nd) sentence was added to prohibit fractional voting pursuant to A.R.S. 10-3721(B). Also see 5.5 under AMENDMENTS TO CLARIFY, REMOVE AMBIGUITY AND ADDRESS OMISSIONS.

5.6 Voting Procedure; Quorum Requirement. All action by GVR Members shall be taken by written ballot in conformance with the procedures and requirements set forth in A.R.S. §10-3708. Except as otherwise specified in these Amended and Restated Bylaws, the quorum requirement for a vote on any matter shall be ballots cast by GVR Members representing ten percent (10%) of the total eligible votes in The Corporation. [Art. II, Sec. 6(C)]. A quorum requirement - the minimum number of members who must participate in a vote in order for the vote to be valid - has

been added. Ten percent (10%) has been the default quorum requirement used to date pursuant to A.R.S. §10-3722.

7.3 Notice of Meetings.

A. Regular Meetings. Regular 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.

Notice provisions were added as required by A.R.S. §§10-3822 and 10-3823.

8.3 Resignation and Removal; Vacancies. An officer may resign at any time by delivering notice to The Corporation and an officer may be removed from office by the Board at any time, with or without cause. An officer elected by the Board to fill a vacancy caused by resignation, removal or death shall serve for the unexpired term of his/her predecessor. This provision was added in conformance with A.R.S. §10-3843.

10.5 Records. The books, records and papers of The Corporation shall be available to GVR Members for inspection and copying pursuant to the provisions of A.R.S. §§10-11602 and 10-11603. The current Bylaw provision (Art. XII, Sec. 2) is inconsistent with Arizona law. It has been changed to reference the applicable statutes.

10.6 Conflict. In the event of any conflict between these Amended and Restated Bylaws and GVR's Amended and Restated Articles of Incorporation, or between these Amended and Restated Bylaws and the Arizona Nonprofit Corporation Act (A.R.S. §10-3101, *et seq.*), the latter of the two shall control. In the event of any conflict between these Amended and Restated Bylaws and the Corporate Policy Manual, the former shall control. [Art. XII, Sec. 3]. This provision was changed to comply with A.R.S. §10-3206(B).

AMENDMENTS TO CLARIFY, REMOVE AMBIGUITY, AND ADDRESS OMISSIONS:

This first Article provides definitions for all of the capitalized terms used in the document. A new term, "Owner," has been added to distinguish between individuals

who are members by virtue of their ownership of a GVR property, as opposed to Assigned Members. The term "GVR Member" includes both Owners and Assigned Members.

Article I, Section 1 of the current Bylaws has been removed as it is addressed in the Amended and Restated Articles of Incorporation. Article 1, Sections 4 (GVR Clubs) and 7 (Fiscal Year) of the current Bylaws have been moved to Article X (Miscellaneous).

Sections 5 and 6 of the current Bylaws (addressing the jurisdiction of GVR) are now in Article 2

4.1 Fees. GVR Members shall be required to pay admission fees, transfer fees, and such administrative fees as established by the Board. [Art. II, Sec. 7(A) and Article III]. The specific types of fees that have been approved by the Board are set forth in the CPM and fall within these three categories: admission fees are Initial Fees and Property Acquisition Capital Fees; transfer fees are the fees charged for resale of GVR Properties; and administrative fees are guest fees, tenant fees, etc.

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. [Art. III, Sec. 1, 2 and 4]. The word "facilities" has been changed to "The Corporation" in the second sentence for clarification purposes.

5.4 Record Date. The record date for determining a GVR Member's eligibility to vote in any matter shall be thirty (30) days prior to the first day that votes may be cast in such matter. A record date is the date upon which members must be current in the payment of their dues, fees and assessments in order to qualify for notice of the annual meeting and to vote. This provision was added (as permitted under A.R.S. §10-3707) so that the Board will not have to fix a record date each year.

5.6 Voting Procedure; Quorum Requirement. All action by GVR Members shall be taken by written ballot in conformance with the procedures and requirements set forth in A.R.S. §10-3708. Except as otherwise specified in these Amended and Restated Bylaws, the quorum requirement for a vote on any matter shall be ballots cast by GVR Members representing ten percent (10%) of the total eligible votes in The Corporation. [Art. XI, Sec. 1 and 2]. Both sections refer to voting at the Annual Meeting, but GVR members vote prior to the Annual Meeting, not in person.

6.3 Nomination of Directors.

A. By Committee. The Nominations & Elections Committee shall compile a list of

eligible GVR Members who are qualified to serve on the Board and have submitted a candidate application. The slate of candidates shall be made available to the GVR Membership at least ninety (90) days before the annual meeting. [Art. V, Sec. 2 and Art. II, Sec. 7(B)]. This provision was changed to clarify that the Committee's duty is to produce a slate of *candidates* (not "directors") and that nominees must be eligible GVR Members which includes Owners and Assigned Members who are current in the payment of their dues and fees pursuant to Section 3.5(B).

B. By GVR Members. Additional nominations may be made by a nomination petition delivered to The Corporation no less than sixty (60) days before the annual meeting and which contains the signed consent of the nominee and the signatures of eligible GVR Members representing not less than two-hundred (200) GVR Properties. The names of nominees submitted through such a petition shall be added to the slate of candidates compiled by the Nominations and Elections Committee.

This revision clarifies that only one (1) vote per household is allowed in GVR elections or petitions. GVR has never allowed multi-person households more than one vote.

Provisions related to the election of directors (Art. V, Sec. 3 of the current Bylaws) was removed as the voting procedure for elections is the same as it is for any other matter. The provision related to "cumulative voting" was unnecessary, as A.R.S. §10-3725 states that cumulative voting is prohibited unless specifically authorized in the Bylaws.

6.5 Compensation; GVR Employment. Directors shall not receive compensation for their services on the Board but may be reimbursed by The Corporation for authorized expenses and disbursements made on its behalf. Directors and members of their immediate families may not provide services to The Corporation in exchange for financial compensation except for ancillary services related to instruction or the arts. [Art. IV, Sec. 7 and 8]. This provision has been modified to allow directors and their family members to teach classes and provide entertainment at events.

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.

[Art. VI, Sec. 1(B),(C), and (D)]. The phrase "without good cause" was added in subsection (3) to prevent the removal of directors who miss meetings due to health

issues or other similar reasons. The phrase "by action taken at the meeting during which a third absence occurs" was removed because the issue must be included on an agenda prepared ahead of the meeting at which action is proposed, and the board can't be sure until the end of the third meeting that the absence has occurred.

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.

[Art. VI, Sec. 2 and Art. III, Sec. 3] Subsection (1) was modified: "the annual budget" was changed to "annual budgets" so as to include the amount budgeted to be spent in the given year, regardless of the source. GVR received a legal opinion in 2019 that the use of "annual budget," included all budgeted expenditures; therefore, this revision does not change the board's authority. The balance of reserve funds is not included.

Subsection (2) was modified to resolve ambiguities and add an exception for services funded by existing reserves.

7.1 Regular Meetings. Regular meetings of the Board shall be held at least four (4) times per fiscal year and shall be fixed on a schedule determined by the Board and published to the GVR Membership. [Article IV, Sec. 2].

Publication of the schedule was added to provide notice to members.

9.1 Standing Committees. The Board shall establish the following committees which shall make policy recommendations to the Board, and have such duties as set forth in the Corporate Policy Manual:

- (1) Board Affairs;
- (2) Fiscal Affairs;
- (3) Nominations & Elections;
- (4) Planning and Evaluation;
- (5) Audit; and
- (6) Investment.

[Art. VIII, Sec. 1] The Audit Committee has been a Standing Committee, so there is no reason to identify it separately. The duties and responsibilities have not changed.

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. [Art. VIII, Sec. 2(A)] The end date requirement for Ad Hoc committees was removed; when an Ad Hoc Committee is established, it may not be possible to determine how much time will be required to achieve its purpose.

9.3 Composition of Committees.

A. Chairperson. The chairperson of each committee shall be a director selected by the President subject to Board approval; provided, however, that the chairperson of the Audit Committee shall not be an officer of The Corporation or a member of the Fiscal Affairs Committee. [Art. VIII, Sec. 2(B) and Sec. 3] This removes the Finance Director from participation in nominating the Chair of the Audit Committee. Nominations for all committees should be consistent.

10.7 Topical Headings. The topical headings of the paragraphs contained in these Amended and Restated Bylaws are for convenience only and do not define, limit or construe the content of the paragraphs or of this document. This provision was added.