

BYLAWS OF FOREST LAKES OWNERS ASSOCIATION

ARTICLE I

OFFICES

The principal office of the Corporation in the State of Arizona shall be located in the Community of Forest Lakes. The Corporation may have such other offices, within the State of Arizona, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

The Corporation shall have and continuously maintain in the State of Arizona a registered office at P. O. Box 1513, Forest Lakes, AZ 85931, which initially shall be the registered office in the State of Arizona, and the address of the registered office may be, but need not be, identical with the principal office, and may be changed from time to time by the Board of Directors.



ARTICLE II

MEMBERS

SECTION 1. Classes of Members. The Corporation shall have one class of members. The designation of such class and the qualifications and rights of the members of such class shall be as follows:

Membership in this corporation shall be:

- a.** those individuals owning or purchasing under contract one or more lots within the boundaries of Forest Lakes Estates, subdivisions recorded in the office of the County Recorder of Coconino County, Arizona;
- b.** those individuals who are year round long-term renters of property within the boundaries of Forest Lakes;
- c.** those individuals who are summer long seasonal residents of Recreational Vehicle Parks within the boundaries of Forest Lakes and including the Rim Resort and RV Park.

SECTION 2. Balloting. Only one ballot per household shall be cast in voting in an election of members to the Board of Directors. Absentee ballots can be requested from the Election Committee via email or in writing.

SECTION 3. Nominating Committee. A Nominating Committee, chaired by the Vice President, shall be established to include the Vice President and four additional general members. It shall be the duty of the Nominating Committee to nominate at least one candidate for each of the vacancies to be filled, having obtained consent from the proposed nominee(s). This Nominating Committee shall be established at meetings convened two general meetings before the annual meeting for a term of one year. Additional nominations from the floor will be entertained and nominee qualifications verified at the annual meeting.

SECTION 4. Election Committee. An Election Committee as established by the Board of Directors shall be responsible for creating an official ballot for each voting entity. Said ballots are to be distributed by this Committee upon verification of eligibility at the annual meeting called for that purpose. This Committee is to confirm that a lawful meeting is being conducted and has the responsibility for announcing to the assembled members the names of Board members whose terms are expiring, as well as the candidates. The responsibility for determining that the candidates meet the requirements lies with this Committee; this includes nominees from the floor.

This Committee shall secure a list of eligible voting members from the Data Base Manager for purposes of determining eligibility.

Counting ballots and verifying winners shall be done by the Election Committee and overseen by three randomly selected members-at-large present at the meeting.

SECTION 5. Termination of Board Membership. The Board of Directors, by affirmative vote of two-thirds of all members of the Board, may suspend or expel a Board member for cause after an appropriate hearing, and may, by a majority vote of those members present at any regularly constituted meeting, terminate the membership of any Board member. Any Board member that is being considered for termination for cause will be provided with a written warning giving the reasons for said termination. The Board member will then have thirty-five (35) days to correct the reason being considered as cause for termination.

SECTION 6. Resignation. Any Board member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges previously accrued and unpaid.

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ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. An annual meeting of the membership shall be held in conjunction with the regular September meeting of each year for the purpose of electing Directors and for the transaction of such other business as may come

before the meeting. If the election of Directors is not held on the day designated herein for any annual meeting, the Board of Directors shall cause the election to be held at a special meeting of the membership, no less than ten (10) days and no more than twenty-one (21) days after the original designated date.

SECTION 2. Special Meetings. Special meetings of the membership may be called by the President, the Board of Directors, or by petitioning of not less than twenty percent (20%) of the membership having voting rights.

SECTION 3. Place of Meeting. The Board of Directors may designate any place within the State of Arizona as the place of meeting for any annual meeting called by the Board of Directors. If no designation is made, it shall be the Forest Lakes Community Center, 1111 Merzville Rd, in the community of Forest Lakes; but, if all of the members shall meet at any time and place within the State of Arizona and consent to the holding of a meeting, such meeting shall be valid with notice (see Article III, Section 4), and any corporate action may be taken at such meeting.

SECTION 4. Notice of Board Meetings. Six (6) regular meetings, April through September, shall be held on the third Saturday of the month, with no meetings from October through March. Written notice stating the place, date and hour of any Board Meetings shall be given by posting in public places at Forest Lakes and posted on the Forest Lakes website. Notices shall be posted not less than eight (8) nor more than fifteen (15) days before the date of such meetings.

SECTION 5. Informal Action of Directors. Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing or email setting forth the action so taken shall be signed by all of the Directors.

SECTION 6. Quorum. A quorum at an annual meeting consists of the membership in attendance. In the case of an election deemed invalid by legal counsel, the majority of those eligible to vote and in attendance shall constitute the required number of persons for the transaction of business at any meeting of the membership. In the event of a tie in voting for the runner-up position, an immediate runoff shall be conducted.

SECTION 7. Proxies. At the annual Membership meeting or any Board meeting, voting by proxy shall not be permitted.

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ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors. Directors must be members of the Corporation.

SECTION 2. Number, Tenure and Qualifications. The number of Directors shall be at least seven (7), and no more than nine (9). All members of the Board of Directors shall be elected for three years, with one-third of the Directors being elected at each annual meeting. The term of members of the Board of Directors elected at the regular annual meeting of the members shall commence immediately after their election, with former Board members being available in an advisory capacity for a thirty-one (31) day period. A Board member must be a member of the Corporation. Only one member of the Corporation in a single household shall serve on the Board at a time.

SECTION 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, within the State of Arizona, as the place for holding any special meeting of the Board called by them. All meetings shall use Robert's Rules of Order as a suggested guide, as elaborated in Article III Section 5. A copy will be made available at all meetings by the Secretary of the Board of Directors and at all times in the Forest Lakes Community Center, or other agreed-upon location that is publicly accessible.

SECTION 4. Notice. Notice of any regular meeting of the Board of Directors shall be given at least eight (8) days prior to such meeting, and notice of any special meeting of the Board of Directors shall be given at least eight (8) days prior to such meeting, by email to each Director at his address as shown in the records of the Corporation. If notice is given by email, such notice shall be deemed to be delivered when the email is sent to the Internet Service Provider. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular meeting or special meeting of the Board need be specified in the notice, or waiver of notice, of such meeting, unless specifically required by law or by these Bylaws.

SECTION 5. Quorum. A majority of the Board of Directors is present shall constitute a quorum for the transaction of business at any meeting of the Board; if less than a majority of the Directors are present at said meeting, a majority of those Directors present will adjourn the meeting and a work session may follow.

SECTION 6. Vacancies. Any vacancy occurring in the Board of Directors, and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the first runner-up of the preceding election; if that person declines, it shall be filled by the Board. A Director appointed to fill a vacancy shall fill the Board vacancy for the unexpired term of his/her predecessor in office.

SECTION 7. Compensation. Directors as such shall not receive any stated salaries for their services; but, by resolution of the Board of Directors, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. Any expense incurred by a Board member in the interest of the Association is subject to reimbursement with Board approval. The President may expend, without prior approval of the Board, up to, but not more than \$1,000 per year for expenses incurred on behalf of the Association. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore.

SECTION 8. Informal Action of Directors. Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing or email setting forth the action so taken shall be signed by all of the Directors.

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ARTICLE V

OFFICERS

SECTION 1. Officers. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one (1) or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

Only one (1) office may be held by any one (1) Board Member.

However, as set forth in Article II only one member per household has voting power; therefore, only one (1) household member may serve on the Board at any one time.

SECTION 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. They must be members of the Board of Directors except for Assistant Secretaries or Assistant Treasurers. Each officer shall hold office until his/her successor shall have been duly elected and shall have been qualified. However, no officer shall hold the same office for longer than six (6) consecutive years.

SECTION 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors, upon majority vote, whenever in its judgment the best interests of the Corporation would be served; but, such removal

shall be without prejudice to the contract rights, if any, of the officer so removed. There will be automatic removal of a Director upon said Director missing three (3) consecutive, regularly-scheduled meetings within any twelve-month period, without Board approval, commencing with the month in which Board members are installed.

SECTION 4. President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He/she shall preside at all meetings of the members and of the Board of Directors. He/she may sign, with the Secretary or another proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these Bylaws or by statute, to some other officer or agent of the Corporation; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. All contracts and legal documents, including all corporate checks issued by the Corporation must be signed by a minimum of two (2) Board officers. Four (4) Board officers shall be named on the signature card at the corporation's bank.

SECTION 5. Vice President. In the absence of the President, or in event of his/her inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as may be assigned to him/her by the President or by the Board of Directors. The Vice President will chair the Nominating Committee for the election of officers, with not more than four (4) members including the Vice President. (refer to Article II, Section 3). The Vice President may call for and perform, with or without a committee, a cursory review of the corporate books at any time. Said corporate books shall be subject to a periodic review by an Accountant designated by the President (see Article IX of the Articles of Incorporation).

SECTION 6. Treasurer. The Corporation shall require and provide bonding for the Treasurer, for the faithful discharge of his/her duties, in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all the duties incident to the office of Treasurer, and such other duties as may be assigned to him/her by the President or by the Board of Directors. The treasurer shall keep the books in good order and make them available at the discretion of the Board to a Review Committee formed by the Board of Directors. The corporation may use necessary professional book-keeping services as the Board of Directors may deem appropriate and/or necessary.

SECTION 7. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or required by law; shall coordinate with Membership Chair as necessary; be custodian of the corporate records of the Corporation; and in general perform all duties incident to the office of Secretary, and such other duties as may be assigned to him/her by the President or by the Board of Directors.

SECTION 8. Assistant Treasurer(s) and Assistant Secretary(ies). If required by the Board of Directors, the Assistant Treasurer(s) shall be provided with bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurer(s) and Assistant Secretary(ies), as non-voting entities, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively.

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ARTICLE VI

COMMITTEES

SECTION 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors, may designate and appoint one or more committees, each of which shall consist of one or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending or restating the Articles of Incorporation; adopting a plan of merger or a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee, and the delegation thereto of authority, shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him/her by law.

SECTION 2. Other Committees. Other committees may be formed by the Board of Directors, with their authority to complete projects coming from the Board.

SECTION 3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation and until his/her successor is appointed, unless the committee shall be terminated earlier prior thereto, the member is, removed from such committee, or the member ceases to qualify as a member thereof.

SECTION 4. Chairperson. One member of each committee shall be appointed as chairperson by the President of the Board of Directors.

SECTION 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as the original appointments.

SECTION 6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 7. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.



ARTICLE VII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. Contracts. The Board of Directors shall authorize any officers or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by two of the following officers: Treasurer, President, Vice President, or Secretary, with two signatures required on each check. No recipient of a check issued by this Corporation may sign such check for his/her own benefit. A minimum of two officers must sign each issued check issued by the Corporation.

SECTION 3. Deposits. All funds of the Corporation shall be deposited in a timely manner. All debts of the Corporation shall ~~to~~ be paid in a timely manner.

SECTION 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, for the general purposes or for any special purpose of the Corporation.

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ARTICLE VIII

PROOF OF MEMBERSHIP

Proof of Membership. The Board of Directors shall refer to the Corporate data base for information evidencing membership in the Corporation. The data base shall be in such form as may be determined by the Board, and shall include name and address of each member, the date of payment of membership dues, and such other information as the Board may deem appropriate.

ARTICLE IX

BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account, and shall maintain minutes of the proceedings of its members, the Board of Directors, and committees having any of the the authority of the Board of Directors. It shall also keep, at its registered or principal office, a record of the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his/her agent or attorney, for any proper purpose at any reasonable time.

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ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

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ARTICLE XI

DUES

Annual Dues. The Board of Directors may determine the amount of initiation fee, if any, and annual dues payable to the Corporation by members of each class. Persons wishing to vote in the current year election must have their membership dues paid not less than thirty (30) days prior to the annual meeting.



ARTICLE XII

AMENDMENTS TO BYLAWS

Beginning July, 2016, any concerns by the membership pertaining to the Bylaws should be addressed to the Board via a joint Board/members-at-large committee. Any proposed changes to the Articles of Incorporation and/or Bylaws must be presented to the membership at least thirty (30) days prior to a regular membership meeting by being posted on the website. The final approval of any changes lies with the Board of Directors, by a 2/3 vote of the full Board.

Approved by the Board of Directors on: _____, 2016

FLOA President _____

FLOA Board Member _____ Title By-Laws Chair, Secretary

FLOA Board Member _____ Title Vice President

FLOA Board Member _____ Title Treasurer

FLOA Board Member _____ Title Member

FLOA Board Member _____ Title Member