

(As amended February 13, 2024)

RANCHO BONITOS CO-OP BY-LAWS

ARTICLE I

Place and Purpose of Business

Section 1. *Location of Principal Office.* The principal office and place of business of the corporation shall be at the Clubhouse, 14555 South Avenue 4-E, Box 340, Yuma, Arizona, 85365.

Section 2. *Purpose.* The purpose of this corporation is to provide its members with R.V. and Mobile Home space and community facilities on a non-profit basis consistent with the provisions set forth in its Articles of Incorporation.

ARTICLE II

Meeting of Members

Section 1. *Semi-Annual Meetings.* The first of the semi-annual meetings of the members shall be held at the Clubhouse of the Corporation on the second Tuesday of December of each year for the primary purpose of electing directors. Other business of the corporation may also be included on the agenda.

The second of the semi-annual meetings shall be held at the Clubhouse of the Corporation on the second Tuesday of February of each year for the primary purpose of presentation and adoption of the operating budget. Other business of the corporation may also be included on the agenda.

Section 2. *Special Meetings.* Special meetings of the members for any purpose or purposes may be called by the President, or a majority of the board, at any time; and must be called upon receipt of a written request signed by thirty members.

Notice of a special meeting stating the time and place and purpose or purposes thereof, shall be given to each member and notified at least ten (10) days prior to the date of such meeting.

Section 3. *Open Business Meetings.* Open business meetings of the membership shall be held on the second Tuesday of the months of November, January and March at the Clubhouse of the Corporation. The agenda for each meeting shall be posted on the clubhouse bulletin board 24 hours prior to the meeting time.

Section 4. At the direction of the Board of Directors any issue to be voted upon at an open business meeting, semi-annual meeting or special meeting of the membership may be called for by absentee ballot. In such event, the Board shall notify the members of an absentee ballot stating the issue to be voted upon, providing the opportunity to vote for or against the issue and stating the time and date by which the ballot must be delivered to the Board of Directors in order to be counted, which date shall be at least seven days after the date that the board delivers the absentee ballot to the member. The absentee ballot shall be deemed delivered at the time it is mailed or emailed to the member. Absentee ballots may be delivered to the Board of Directors in person, by U.S. mail or by email and, to be counted in the vote, must be received prior to the meeting in which the vote is to be held is called to order. The absentee ballot shall not allow or authorize another person to cast votes on behalf of the member. Votes cast by absentee ballot are valid for the purpose of establishing a quorum for the issue voted upon.

Section 5. *Notices and Waiver of Notices.* Notices shall be posted electronically by sending to the last recorded email address of each member, or, if a member does not provide an email address, then notices shall be mailed to that member's last recorded address on the member's record book. The attendance of any member at a meeting without protesting the lack of notice of such meeting prior to the conclusion of the meeting shall constitute a waiver of notice by him.

Section 6. *Quorum.* At Open Business Meetings members present shall constitute a quorum regardless of the number present. At semi-annual or special meetings, a majority of the members shall constitute a quorum. If a quorum is not present an adjournment may be taken to a date not fewer than ten (10) days nor more than twenty (20) days thereafter; and members present at any such meeting shall constitute a quorum, regardless of the number present. Notice for the adjourned meeting shall be given in writing by mail, by email or in person not fewer than five (5) days prior to the date of the meeting as fixed in the adjournment.

Section 7. *Voting.* At any meeting of the members, each member entitled to, may vote in person. At elections members may cast one vote per lot per vacancy on the Board of Directors. All meetings of the members shall be designated as duly called meetings of the corporation and shall therefore give the assembled body the right to vote and act on all matters. The required vote for approval shall be a majority of the members present unless these By-laws stipulate a different requirement in which case it shall be followed.

Section 8. *Voting for Directors by Absentee Ballot.* At least ten days prior to the first semi-annual meeting held on the second Tuesday of December, the Board shall deliver to the members an absentee ballot listing the candidates for each position to be filled and stating the time and date by which the ballot must be delivered to the Board of Directors in order to be counted, which date shall be at least seven days after the date that the board delivers the absentee ballot to the member. The absentee ballot is valid for only one specified election of Directors and expires automatically after the completion of the election. The absentee ballot shall be deemed delivered at the time it is mailed or emailed to the member. Absentee ballots may be delivered to the Board of Directors in person, by U.S. mail or by email and to be counted must be received by the Board before the meeting in which the election is held and called to order. The absentee ballot shall not allow or authorize another person to cast votes on behalf of the member. Votes cast by absentee ballot are valid for the purpose of establishing a quorum for the issue voted upon.

Section 9. *Inspectors of Election.* The Board of Directors, in advance of any meeting of members, may appoint one or more inspectors of election to act at the meeting or any adjournment thereof. No director, or candidate for director, shall act as inspector.

Section 10. *Order of Business.* At each meeting of members, the President, or, if absent, Vice president, shall act as chairman of the meeting. The Secretary, or if absent such person as may be appointed by the chairman, shall act as Secretary of the meeting. So far as is consistent with the purposes of the meeting, the order of business shall be as follows:

1. Call to order.
2. Roll call.
3. Reading of minutes of previous meeting or meetings.
4. Reports of officers and committees.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE III
Directors

Section 1. *Number.* The affairs of the corporation shall be managed and controlled by the Board of Directors, which shall consist of seven members. (Immediate Past President shall remain as an ex-officio member without voting rights)

All elections shall be by secret ballot if the number of members nominated exceeds the number required to fill a vacant position. Each name presented in nomination shall be identified for the number of years he/she is asked to serve. After each election the Board of Directors shall fill any vacancy by appointment. An appointed Director shall hold office until the next semi-annual meeting in December.

At the semi-annual meeting in December after the elections have been completed, the newly elected directors shall take an oath of office. The term of office of the directors shall not exceed three (3) years and shall expire when their successors have been elected.

Section 2. *Qualification and Election.* A nominee must have been a resident member of the Corporation for a period of not less than one year. Resident member here means being a resident at Rancho Bonitos for a minimum of four months during the period November through April. Each member of the Board must agree to be in residence at Rancho Bonitos for the same period.

Section 3. *Nominating Committee.* In November in each year the Board of Directors shall appoint a nominating committee. The goal of this committee will be to present one or more nominees for the vacancies on the Board of Directors. All nominees shall complete the form, "Application for Board of Directors" which can be obtained from the Nominating Committee or from the office of the corporation. The completed form shall be lodged with the nominating committee at least ten days before the semi-annual meeting in December. No nominations will be accepted from the floor of the meeting.

Section 4. *Management of the Corporation.* The Board of Directors shall have the power to conduct all of the business of the Corporation, receive all monies, bills, taxes, utility charges, etc., and to disburse funds of the Corporation in the settlement of the forgoing bills, charges, taxes, salaries, etc. In lieu of the forgoing powers, the Board of Directors shall have the option to delegate such corporate duties to a CPA or other professional bookkeeping service, who will then be charged with keeping all records, receiving all bills and paying all salaries, charges, taxes, etc., and maintaining records to the satisfaction of the Board of Directors, at a salary mutually agreed upon by the Board and said CPA or bookkeeping service. The Board of Directors may at any time cancel such arrangements, and substitute in place thereof a paid non-voting Secretary-Treasurer to handle all the aforementioned functions, duties, bills and the like, as shall be enumerated by the Board of Directors.

The directors shall appoint or employ agents with such powers and duties as it shall deem necessary. The fees/salaries of agents and employees shall be fixed by the Board of Directors. Any full-time salaried employee may not be a lessee.

Every project requiring an expenditure of funds in excess of One thousand dollars (\$1,000), except for current expenses or for emergency repairs or maintenance as per budget shall be accomplished in the following manner: (A) It shall be first presented to the Board of Directors, who shall consider the same at their regular meeting or special meeting, and shall present it to the membership with their recommendation (B) Such expenditure then must be approved by a majority vote of the total membership at a semi-annual meeting, or at a special meeting.

Section 5. *Meetings.* The Board of Directors may meet as often as necessary (but not less than once a month during the season of November through March) to carry out the normal business of the Corporation. Four or more Directors shall constitute a quorum at all meetings of the Board.

A special meeting of the Directors may be called by the President at any time and must be called upon written request of two members of the Board.

Immediately after each annual election the Board of Directors shall meet at the principal office for the purpose of organization, including the election of officers, appointment of committee chairpersons and the transaction of other business if a quorum be then present. No prior notice of such meeting shall be required to be given. The time and place of such first meeting, may however, be fixed by written consent of all the Directors. If a quorum is not present at the meeting, the meeting shall be adjourned and a meeting held at the earliest possible date at which a quorum will be present. Unless waived, notice for the adjourned meeting shall be given not fewer than five days prior to the date set in the adjournment.

Section 6. *Resignation and Removal.* Any director may resign at any time by written notice delivered or sent by registered mail to the President or Secretary of the corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Any director may be removed from office by the members of the corporation then entitled to vote at a meeting duly called for that purpose. A director may be removed for cause by the affirmative vote of a majority of the memberships represented at the meeting and then entitled to vote. At any meeting called to remove a director without cause, the members shall have the right to vote on such removal and no director shall be removed without cause if the number of votes cast against his removal would be sufficient to elect him/her if then voted at an election of the entire Board of Directors.

If any director who was a member at the time of their election as a director ceases to be a member, they shall be deemed to have resigned as a director.

Section 7. *Annual Cash Requirements.* (A) The President and Board of Directors shall present a proposed budget to the membership at the second semi-annual meeting. A copy of said proposed budget shall be mailed, emailed or delivered to each member not more than ten (10) days, and not less than three (3) days prior to the said Annual Meeting. (B) Each member (Lot Owner) shall pay his or her pro-rata share of such approved budget. Such budget shall cover the maintenance of swimming and therapy pools, utilities, taxes, insurance, maintenance of all co-op property, irrigation expenses and all other costs as may be necessary to the operation of the Park and recreational area. Such payments shall be made monthly by each member (Lot Owner), regardless of whether each lot is occupied or unoccupied. (C) This charge, if not paid on or before the 10th of the month in which it is assessed, shall be deemed delinquent, and penalty charges for late payment will be assessed thereafter until paid. Such assessments collection, together with any late charges may be applied ahead of principle. All charges may be collected in any manner provided by law and/or the By-Laws of the Co-op. All fees, attorney's charges, or other costs to the Co-op necessary to collection of such monthly payment, and/or levies, shall be borne by the member in default.

Section 8. *Rules and Regulations.* The Board of Directors may adopt additional rules and regulations from time to time but the same shall not become effective until accepted and approved by the members at any semi-annual meeting or at a special meeting called for such purpose as provided in Article II, Section 2.

The vote and decision of the membership at a Semi-Annual Meeting shall not be superseded by the Board of Directors unless or until a special meeting of the full membership is called for this purpose.

ARTICLE IV
Officers

Section 1. The executive officers of the Corporation shall be a President, one or more vice-presidents, a Treasurer, a Secretary and such additional officers as the Directors may deem necessary, all of whom shall be elected annually by the Directors. The offices of Secretary and Treasurer and other offices may be combined and held by the same person, except that the President may not also be the Secretary or the Treasurer. Any vacancies occurring among the above offices may be filled by the Directors. Any officer elected by the Directors may be removed at any time by an affirmative vote of a majority of the directors.

Section 2. The Directors shall approve all committee Chairpersons (all of whom must be lessees). Refer to the Rancho Bonitos Policy Guides for various duties and responsibilities.

Section 3. *Duties of President and Vice President.* The President shall preside at all the meetings of the members and Directors. The vice-president shall, in the absence of the President, exercise the powers and perform the duties of the President, and they shall exercise such other powers and perform such other duties as shall be prescribed by the Directors. All meetings of the corporation shall follow "Robert's Rules of Order" unless these rules conflict with a Section of this By-law in which case the By-law shall be followed.

Section 4. *Duties of Treasurer:*

- Attend all board and membership meetings, present an updated financial condition report and answer related questions.
- Approve all bills presented for payment.
- Collect past due electric bills.
- Collect past due Park Corporation dues.
- Work with the Board to maintain a healthy financial condition.
- Prepare year-end reports for the 2nd semi-annual meeting in February.
- Prepare a budget for the following year.
- Post, in the clubhouse, an updated financial report at the end of each month.

Section 5. *Duties of Secretary.*

- keep the minutes of all proceedings of the Directors and members.
- Attend to the giving and serving of all notices of the members and Directors or other notices as required by law of these By-laws.
 - Affix the Seal of the Corporation to certificates, contracts and other instruments of writing requiring its seal when duly signed.
- Attend to the delivery of approved copies of the minutes to each member of the Corporation who requests them.
- Have charge of books and papers as the Board may direct.
- Maintain the Corporation's email account for the purposes of sending and receiving email communications between the Corporation and its members
- Perform all other duties incident to the office of Secretary.

Section 6. *Compensation.* No salary or other compensation for services shall be paid to any officer of the corporation for services rendered as such officer, but this shall not preclude an officer of the corporation from performing any other service for the corporation and receiving compensation.

ARTICLE V
Proprietary Leases

Section 1. *Fair Housing.* To meet the criteria of the Fair Housing Amendments Act of 1988 (Effective March 13, 1989), the Board of Directors and members shall restrict the sale and lease of their respective properties to senior citizens only. It is the policy and intent of the Corporation and its members to retain the area for the exclusive use of Senior Citizens fifty-five (55) years of age or older.

Section 2. *Form of Leases.* The Board of Directors shall adopt a form of proprietary lease to be used by the corporation for the leasing to members of all spaces in the park. A duplicate original of each propriety lease shall always be kept on file in the principal office of the Corporation.

Section 3. *Allocation of memberships.* The Board of directors shall allocate to each space in the park one membership in the corporation that must be owned by the proprietary lessee of such space.

Section 4. *Assignment.* Assignments such as provided in Article VI Memberships, Section 1 and the delinquency provision of Article V, Section 1 against the lessee member may be levied upon the approval of the Board of Directors.

Section 5. *Membership and Voting Rights.* Membership and voting rights shall be inseparably appurtenant to lots leased by the members. Upon transfer of ownership by Certificate or by contract of sale, of any such lots, membership shall be deemed to be transferred to the purchaser. No membership may be transferred, assigned or in any manner conveyed, other than in the manner herein before set forth. In the event of the death of a member the membership of such member shall be and become the property of the personal representative of such deceased member upon the appointment and qualification of such in a judicial proceeding. Such personal representative shall have all of the rights, privileges and liabilities of the deceased member until the certificate shall be transferred or contracted to be transferred. A member, selling their share or contracting to sell their share to a purchaser, shall automatically lose all rights to any portion of the Corporation's properties or funds and by such actions shall have agreed to the surrendering of any claim to the Corporation or its properties or assets.

Section 6. *Lost Proprietary Leases.* In the event that any proprietary lease in full force and effect is lost, stolen, destroyed or mutilated the Board of Directors may authorize the issuance of a new proprietary lease in the same form and with the same terms, provisions, conditions and limitations. The Board may, before the issuance of any such new proprietary lease, require the owner or the legal representative of the owner thereof to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as the Board deems necessary and to require a bond running to the corporation in such reasonable sums as the Board directs, not to exceed double the value of the membership appurtenant to such lease.

ARTICLE VI
Memberships

Section 1. *Authorization and Rights.* The membership of the Corporation shall consist of and be limited to lessees of lots in the Rancho Bonitos Co-op Park, who shall have one share for each lot leased. A purchaser under contract of purchase shall be deemed to be a lessee for membership purposes. If a lot is leased by two or more persons, the several owners of such interest shall be entitled collectively to only one share and to cast one vote.

Section 2. *Form and Record of Memberships.* Certificates of membership in the corporation shall be in the form adopted by the Board of Directors and shall be signed by the President and by the Secretary, and sealed with the seal of the corporation, and numbered in the order in which issued. Each

certificate exchanged or returned to the corporation shall be cancelled and the date of cancellation shall be indicated thereon by the transfer agent, and such certificate shall be placed in the files.

Section 3. Membership in the Association shall be limited to one per lot, or a total of one hundred twenty-one (121) members. A member who is delinquent in their assessment more than three months forfeits their right to vote and their right to voice at all meetings until such delinquencies shall have been fully cured and brought current.

Section 4. Lessees shall keep their premises neat and clean and not allow them to become overgrown with noxious weeds and free of rodents and termites. If a lot owner does not clean up their lot within 14 days after being notified in writing by the Board of Directors that such cleanup is needed, the Board may have the cleanup performed and charge the owner for the required work.

Section 5. Complaints which the members shall desire to make, shall be made to the Director in charge of that particular function, for immediate resolution. Any other suggestions or complaints must be made in writing and signed or brought before an Open Meeting.

Section 6. *Transfers.* Except as provided herein, memberships shall not be transferable and, in any event, no transfer of membership shall be made upon the book of the corporation within fifteen (15) days next preceding the February semi-annual meeting of members. In all transfers of memberships the corporation shall be entitled to a fee deemed appropriate by it to compensate the corporation for the processing of the transfer. Memberships may be transferred for the following causes and upon the conditions stated.

A. **Death of Member.** If upon death of a member their membership in the corporation passes by will or intestate distribution to a member of their immediate family, such legatee, distributee, or personal representative may become a member of the corporation by assuming in writing the terms of the proprietary lease within ninety (90) days after shareholder's death, and by paying all amounts due thereunder. If a member dies and an obligation is not assumed in accordance with the foregoing then the corporation shall have an option to purchase the membership from the deceased member's estate in the manner provided in Section 5, Article V of these by-laws. Written notice of the death shall be equivalent to notice of intention to withdraw. The references to "member" therein are to be construed as references to the legal representative of the deceased member.

B. **Right of First Refusal to Corporation to Purchase.** If a member desires to leave the project they shall notify the corporation in writing of such intention. The corporation shall thereafter have a right of first refusal for a period of thirty (30) days following the giving of such notice to purchase the membership on the same terms and conditions as the offer received by such member. The corporation shall deduct from the offer any amounts due by the member to the corporation under the proprietary lease and the cost or estimated cost of all deferred maintenance including such repairs and replacements as are deemed necessary by the corporation to place the space in suitable condition for another occupant. The purchase by the corporation of the membership will immediately terminate the member's rights and the member shall forthwith vacate the space. There shall be no obligation on the corporation to exercise the right of this paragraph.

C. **Procedure Where Corporation Does Not Exercise Right of First Refusal.** If the corporation waives in writing its right to purchase the membership under the foregoing paragraph, or if the corporation fails to exercise such right of first refusal within the thirty (30) day period, the member may sell their membership to any person who has been duly approved by the corporation as a member and occupant on the same terms and conditions as offered to the corporation.

If the corporation agrees, at the request of the member, to assist the member in finding a purchaser at a price designated in writing by the member, the corporation shall be entitled to charge the member a fee agreed upon by member and the corporation for this service. When the transferee has been approved to become a member and has executed the prescribed proprietary lease, the retiring member shall be released of their obligations under their proprietary lease, provided they have paid all amounts due the corporation to date.

Section 7. *Termination of Member Status for Cause.* In the event the corporation has terminated the rights of a member under the proprietary lease, the member shall be required to deliver promptly to the corporation their membership certificate and their proprietary lease, both endorsed in such manner as may be required by the corporation. The corporation shall thereupon at its election either (1) repurchase the membership at the amount the retiring member originally paid for the acquisition of their membership or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser and at a sales price acceptable to the corporation. The retiring member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the corporation to be conclusive):

- A. Any amounts due to the corporation from the member under the proprietary lease;
- B. The cost or estimated cost of all deferred maintenance, including repairs and replacements as are deemed necessary by the corporation to place the space in suitable condition for another occupant; and
- C. Legal and other expenses incurred by the corporation in connection with the default of such member and the resale of their share. In the event the retiring member for any reason should fail for a period of sixty (60) days after demand to deliver to the corporation their endorsed membership certificate, the membership certificate shall forthwith be deemed to be cancelled and may be reissued by the corporation to a new purchaser.

Section 8. *Corporation's Lien.* The corporation shall at all times have a lien upon the memberships owned by each member which shall be superior to all other liens, for all indebtedness and obligations owing and to be owing by such member to the corporation arising under the provisions of any proprietary lease issued by the corporation and at any time held by such member, or otherwise arising. Unless and until such member, as lessee, shall make default in the performance of any of the covenants or conditions of such proprietary lease, and/or unless and until member shall make default in the payment of any indebtedness or obligation owing by such member to the corporation otherwise arising, such memberships shall continue to stand in the name of the member upon the books of the corporation, and the member shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Board of Directors may refuse to consent to the transfer of such membership until any indebtedness of the member to the corporation is paid. The corporation shall have the right to issue to any purchaser of such memberships upon the enforcement by the corporation of such lien, or to the nominee of such purchaser, a certificate of the memberships so purchased substantially of the tenor of the certificate issued to such defaulting member, and thereupon the certificate for such memberships theretofore issued to such defaulting member shall become void and such defaulting member agrees to surrender such last mentioned certificate to the corporation upon the latter's demand. The failure of such defaulting member so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

Section 9. *Lost Certificates.* In the event that any membership certificate is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new certificate of the same tenor and for the same number of memberships in lieu thereof. The Board, in its discretion and before the issuance of such new certificate, may require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit of affirmation setting forth such

facts as to the loss, destruction or mutilation as it deems necessary and to give the corporation a bond in such reasonable sum as it directs, but not more than double the value of the membership(s) to indemnify the corporation.

Section 10. *Legend on Membership Certificate.* Subject to any provision to the contrary stated in the Articles of Incorporation, unless and until all proprietary leases which shall have been executed by the corporation shall have been terminated, all certificates representing shares of the corporation shall bear a legend reading as follows:

"The rights of any member evidenced by this certificate are subject to the provisions of the Articles of Incorporation and the By-Laws of RANCHO BONITOS CO-OPERATIVE and to the proprietary lease between member and CO-OP."

ARTICLE VII
Corporate Seal

The Board of Directors shall provide a corporate seal which shall be in the charge of the secretary and shall be used as authorized by the By-Laws or by the Directors.

ARTICLE VIII
Negotiable Instruments

Section 1. *Checks, etc.* Checks and notes of the Corporation shall be signed and checks, notes, drafts, bills of exchange and orders for the payment of money shall be endorsed for collection or deposit in such manner as may be determined by the Board.

Section 2. *Transfer of Securities.* Endorsements on transfers of memberships, bonds or other securities shall be signed by the President or any Vice President and by the Secretary or an assistant Secretary unless the Board of Directors prescribes otherwise.

Section 3. *Safe Deposit Boxes.* Such officer or officers, as from time to time shall be designated by the Board of Directors, shall have access to any safe of the corporation in the vault of any safe deposit company.

Section 4. *Securities.* Such officer or officers as from time to time shall be designated by the Board of Directors shall have the power to control and direct the disposition of any shares, bonds or other securities or property of the corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE IX
Fiscal Year

Section 1. The fiscal year of the Corporation shall begin January first and end on the last day of December.

ARTICLE X
Indemnification

Section 1. *Indemnification.* This Corporation shall indemnify and hold harmless any and all of its Directors and officers, former Directors and officers, against expense incurred by them including legal

fees, or judgments or penalties rendered or levied against any such person while acting within the scope as a director or officer of the Corporation, in the manner and upon the basis and conditions provided by law.

ARTICLE XI
Notices

Section 1. Any notice required to be given by these By-laws may be given by emailing the same to the member entitled thereto at his or her email address as shown on the Corporation's books or if no email address is given then by mailing the same to the member's address as shown on the Corporation's books, and such notice shall be deemed given at the time of such emailing or mailing. Any notice required to be given by these By-laws may be waived by the person entitled to such notice.

ARTICLE XII
Amendments

Section 1. Amendments. These By-Laws may be amended by a 2/3 vote of the members present at any semi-annual meeting or at a special meeting called for such purpose. Intention to amend must appear on the Notice of Meeting. Such special meeting shall be called as provided in Article III, Section 5 and Article II, Section 2.
