

# PARK AVENUE COMMUNITY ASSOCIATION

## **Park Avenue Community Association (PACA) Bylaws**

### **Article I. Name**

The name of this organization shall be the Park Avenue Community Association (PACA). PACA includes the area from the intersection of Park, Central, and Whittington Avenue to Belvedere Country Club. The principal office of the corporation is located P. O. Box 435, Hot Springs National Park, Arkansas, 71902.

### **Article II. Purpose**

The Park Avenue Community Association is organized with the Arkansas Nonprofit Cooperation Act for social, benevolent, charitable, philanthropic, and educational endeavors. In general, to conduct association business and exercise all powers conferred by the laws of the State of Arkansas upon corporations and performed under the laws of the State of Arkansas and the U. S internal Revenue Office 501(c) (3) non-profit status. The goals of the Park Avenue Community Association

are to:

- 1) To promote neighborhood unity, cultural diversity, and to advocate for the Safety of persons and property in the Park Avenue area.
- 2) To promote historic preservation and awareness of historic landmarks in the area.

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3) To cooperate with government officials to enforce codes and educate citizenry. And

4) To comply with regulations and requirements of the Arkansas Secretary of State, Arkansas Attorney General Office, and the U. S. Internal Revenue Service-Section 501(c)(3) status for non-profit associations.

## **Article III. Board of Directors**

### Section 1. Number of Directors

PACA shall have a maximum of six directors and collectively they shall be known as the Board of Directors.

### Section 2. Nomination, Election and Length of Term

Each director shall be nominated and elected by the Active Membership at large at the January meeting. Each Director shall hold office for a minimum period of three years. At that point in time, the director must stand for re-election against candidates proposed by the Active Membership at large. Executive Officers and/or Board of Directors from other community associations are not eligible for Board of Directors position.

### Section 3. Qualification of Directors

All Active Members in good standing are eligible for a position on the Board of Directors. They must have a proven track record of reputable ethics, business management, and advocate for PACA's goals.

### Section 4. Meetings of Board of Directors

Regular meetings of directors shall be held quarterly with documented agenda and minutes as specified by the corporate documentation policy. The quarterly meeting will be presided over by the chairperson of the board in cooperation with fellow board members and Executive Officers. In absence of chairperson, the vice chair shall preside over

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quarterly meetings. A quorum will consist of two-thirds members present.

## Section 5. Duties of Board of Directors

It shall be the duty of the Board of Directors to be informed, act in the best interest of the association, and make fiscally responsible decisions. They must be participatory, act in good faith-above personal interest, and perform their duties in a prudent, reasonable manner. The Board of Directors shall serve without compensation.

They shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this association's conflict of interest policy, as set forth in these bylaws.

Duties include the following:

1. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws.
2. Supervise all officers and agents of the association to assure that their duties are performed properly.
3. Meet at such times and places as required by these bylaws.
4. Shall be accountable for the strategic planning and sustainability of the association.
5. Comply with regulations and requirements of the Arkansas Secretary of State and the U. S. Internal Revenue Services (IRS) for 501(c)(3) status for non-profit organizations.

## Section 6. -Removal

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

## Section 7-Procedure for Filling Vacancies

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Vacancies on the board of directors shall exist on the death, resignation, or removal of any director, and whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

## **Article IV. Executive Officers**

### Section 1. Titles

The Executive Officers of the association shall be president, a vice president, a secretary, and treasurer. Executive Officers must reside and/or maintain a business in the Park Avenue area. They must have a proven track record of reputable ethics, business management and/or public service. Executive Officers and/or Board of Directors from other community association members are not eligible for any elected PACA Executive Office.

### Section 2. Duties:

It shall be the duty of the Executive Officers to be informed, act in the best interest of the organization, and make fiscally responsible decisions. They must be participatory, act in good faith- above personal interest, and perform their duties in a prudent, reasonable manner. Executive Officers shall serve without compensation.

They shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to Executive Officers shall be approved in accordance with this

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association's conflict of interest policy, as set forth in these bylaws.

Duties include the following:

Executive Officers shall perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws. They will meet at such times and places and comply with regulations and requirements of the Arkansas Secretary of State, Arkansas Attorney General Office, and the Internal Revenue Service Section 501(c)(3), as required by these bylaws.

1) President-The President shall preside over the association's monthly meetings, work with Secretary to develop agenda for monthly meetings, schedule monthly speaker and/or program, sign official documents, appoint all committee chairpersons, and advise on all committee members, and serve as an ex-officio member on all committees.

2) Vice President-The Vice President shall perform all duties of the president in absence of the president. The Vice President shall function as directed by the President and/or the Board of directors.

3) Secretary-The Secretary shall keep a permanent record of the general and Executive Board meetings and act with the President in directing the correspondence of the organization. They shall keep all active membership rosters, report minutes, and coordinate regular meeting agenda with President.

4) Treasurer-The Treasurer shall receive all monies and make disbursements of the association upon authority of the Executive Officers or Board of Directors. The Treasurer will present a financial report at all regular monthly meetings. Quarterly and annual audits will be presented and approved by the Board of Directors.

Section 3. Nomination, Election, and Term of Office

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Each officer shall be nominated and elected by the association's Active Members in good standing. Each Officer shall hold office for a minimum period of one year. At that point in time, the Officer must stand for re-election against candidates proposed by Active Members in good standing. Election of officers shall be held at the regular January meeting of the association.

## Section 4-Removal

Executive Officers may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

## Section 5-Procedure for Filling Vacancies

Vacancies of Executive Officers position shall exist (1) on the death, resignation, or removal of any officer, and (2) whenever the number of authorized officers is increased.

Any Executive Officer may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No Executive Officer may resign if the association would then be left without a duly elected officer or director in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

## **Article V. Membership and Dues**

### Section 1. Procedures for Becoming a Member

The association has two types of membership: Active Member and Friends of Park Avenue. Active Member status is defined as any individual who resides, owns property and/or operates a business in the Park Avenue neighborhood. Active Members retain all voting rights and are eligible for any elected PACA Executive Office or Board of Directors position. Executive Officers and/or Board of Directors from other community association members do not retain voting rights and

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are not eligible for any elected PACA Executive Office or Board of Directors position.

Friends of Park Avenue status is defined as any individual interested in the association's goals and the advocacy of the historic neighborhood. They do not retain voting rights nor are they eligible for Executive Office or Board of Directors position.

Both Active Membership and Friends of Park Avenue annual membership dues are payable by the third Monday in January of each year. Annual dues for both Active Members and Friends of Park Avenue are \$10.00 for an individual, \$15.00 for a household, and \$20.00 for a business.

## Section 2. Meetings

Regular association meetings shall be held on the third Monday of every month. Meetings shall be held at designated locations as indicated in prior meeting notices. Special meetings may be called by the Executive Officers and/or Board of Directors. Such meetings shall be held at the place designated by the person or persons calling the special meeting and will be given at least a weeks' notice.

## Section 3. Voting Procedures

Each Active Member, in good-standing is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by show of hands. Election of Directors and Executive Officers shall be by written ballot.

## **Article VI. Rule of Order**

Section 1. Robert's Rules of Order - All association meetings shall be governed by Robert's rules, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

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## Section 2. Adding Items to Monthly Agenda Procedure.

Any Active Member may contact the residing association President to requests the addition of items to the monthly meeting's agenda.

## Section 3. Grievance Procedure

Any Active Member who wishes to express a grievance shall contact the association's residing president and/or board of directors to request a review of concerns. The residing president or board of directors shall establish a grievance committee to address the Active Members concerns. If resolution is not reached, the Active Member may appeal to the board of directors for final appeal.

## **Article VII. Fiscal Year**

### Section 1. Fiscal Year

July 1 to June 30, of each year will stand as the association's fiscal year.

## **Article VIII. Indemnification of Board of Directors, Executive Officers, Committee Members, and Volunteers.**

### Section 1. Board of Directors and Officers

The Board of Directors and Executive Officers of the association shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

## **Article IX. Conflict of Interest Policy**

### Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(0)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which



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might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## Section 2. Definitions

a. Interested Person. Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(0)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the association has a transaction or arrangement;
2. A compensation arrangement with the corporation or with any entity or individual with which the association has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the association is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

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## Section 3. Conflict of Interest Avoidance Procedures

a. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

b. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

c. Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the governing board, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

After exercising due diligence, the governing board shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. Violations of the Conflicts of Interest Policy. If the governing board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board determines the member has failed to disclose an actual or possible

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conflict of interest, it shall take appropriate disciplinary and corrective action.

## Section 4. Records of Board Proceedings

The minutes of meetings of the governing board shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes take in connection with the proceedings.

## Section 5. Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. received a copy of the conflicts of interest policy;

b. has read and understands the policy;

c. has agreed to comply with the policy; and

d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Article X. Procedures for Amending the Bylaws**

### Section 1. Amendment

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Subject to the power of the Active Members of this association to adopt, amend, or repeal the bylaws of this association and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors.

The officers and directors are responsible for verifying which if any changes to these bylaws need to be filed by law with the IRS and appropriate state departments.

*[NOTE: Take care not to delete the following "Adoption of Bylaws" clause. This clause will be the last page of your bylaws, whether or not you include the "Membership Provisions," above.]*

## **ADOPTION OF BYLAWS**

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of \_\_\_\_\_ preceding pages, as the bylaws of this corporation.

Dated: \_\_\_\_\_