

ARIZONA DEAF SENIOR CITIZENS COALITION, INC. (ADSCC)
POLICY & PROCEDURE MANUAL (PPM)
Proposed and Ratified on April 16, 2016
Revised and Ratified on January 14, 2017
Revised and Ratified on December 5, 2020

INTRODUCTION

This Policy and Procedure Manual (PPM) serves as a supplement to the ADSCC By-Laws (“bylaws”) and provides supplemental information not included in the By-Laws.

The Board of Directors (“Board”) is responsible for maintaining the PPM and making the information available to the members, along with the bylaws.

The Board, by a majority vote, may add information to the PPM to help guide the Board in their duties. ADSCC members also may submit proposals for changes or additions to the manual to the Vice President, who will then review the proposal and present it to the Board for review. If the proposal needs to be voted on by the membership, the item will be placed on the agenda for discussion and approval at the next general meeting.

GENERAL INFORMATION

- 1. ADSCC is also considered as a business entity through year 2026:**
 - a. As stated in Articles I and II of the bylaws, ADSCC is a 501(c)(3) non-profit organization.
 - b. However, ADSCC is also considered as a business entity, named “ADSCC Apache ASL Trails II, LLC” as described below.

- 2. ADSCC as “ADSCC Apache ASL Trails II, LLC” under Limited Partnership:**
 - a. Starting in year 2011, and continuing through year 2026, ADSCC is considered as one of the partners within the entire ownership structure of Apache ASL Trails II Limited Partnership (“Limited Partnership”), with the Right of First Refusal to purchase Apache ASL Trails (“AAT” or “Apache”) building in year 2026. Cardinal Capital Management (“CCM”, the AAT building developer), is also one of the partners under this ownership structure. (See the bottom of this document for an attachment showing the summary and ownership structure chart, with ADSCC referred to in the two lowest boxes of the chart.)
 - b. Right of First Refusal to purchase AAT – It was agreed during the April 2015 General Meeting that it is unrealistic for ADSCC to raise over \$1 million by year 2026 for the purchase of AAT. Accordingly, a motion was passed during the meeting that ADSCC shall instead use the ADSCC endowment fund to promote services and programs benefitting senior residents of Arizona.
 - c. Two grants in ADSCC’s name, proposed and obtained by CCM, were converted to pass through loans (“loans”) and provided to the Limited Partnership for development and equipment for AAT building. The two “loans” are \$150,000 +

4.47% interest accrued annually dated 5/12/2010, and \$35,000 + 2.58% interest accrued annually dated 2/16/2012, both due and payable in full on 5/12/2040. However, because these two loans are unsecured and deferred behind other Limited Partnership's obligations in millions of dollars, it is very unlikely we will receive anything back from these two loans – unless the value of AAT building unexpectedly skyrockets by the end of the Limited Partnership's 15-year tax credit period in 2026, in which case the ADSCC might get some back.

- d. According to CPA, these two loans referred to above nevertheless need to be counted as part of ADSCC's assets.
- e. Contact CCM's Assets Manager in case there are additional questions about the relationship between ADSCC and Limited Partnership.

3. Incentive Management Fee from Limited Partnership:

- a. ADSCC as a partner shall be privileged to receive incentive management fee annually through year 2026, as long as there is Apache's positive cash flow (i.e., when Apache's revenue exceeds Apache's expenses for a given fiscal year).
- b. As explained by Peter Young (CCM's former Assets Manager): "The incentive management fee is an annual fee based off of Apache's cash flow so as long as the property produces money in a given year, ADSCC and Cardinal will receive an incentive management fee. Now that the developer fee is paid off, 80% of all surplus cash at the end of each year is paid out as the incentive management fee. The total fee is split between Cardinal and ADSCC 51% to 49%, respectively. The total fee will obviously change from year to year based on Apache's financial performance so it's impossible for me to give a set dollar amount for ADSCC to expect each year."
- c. A motion was passed during the December 2015 general meeting supporting the concept that 40% of the management incentive fee ADSCC receives annually (if any) through year 2026 shall be used to sponsor services and programs for deaf senior residents of Arizona including those residing at Apache ASL Trails.
- d. Depending on the availability of funds, any agency or organization providing services or programs for Arizona deaf senior citizens shall make a request, in the form of a letter or proposal to the ADSCC President for sponsorship from January 1 through March 31 of each year through year 2026. Then the Board shall determine which agency(ies) and/or organization(s) would receive full/partial sponsorship no later than June 30 of each year.

4. Affiliations:

- a. Upon approval of the Board, the ADSCC may be affiliated with any national, state, or local organization of the deaf in any given year.

5. Registration with Arizona Corporation Commission:

- a. ADSCC is registered with the Arizona Corporation Commission (ACC) and complies with the regulations of the ACC.
- b. The Treasurer of ADSCC shall file an annual report with ACC and shall pay an annual fee, and, as appropriate, shall provide an update on the names of the

officers and related information annually. Annual report is due October 16 of each year. Refer to www.cc.state.az.us for more instructions.

- c. Statutory Representation -- President of ADSCC shall be designated as the organization's Statutory Representation. and so noted along with his (her) name in the ACC's annual report.

6. Income Tax Reporting:

- a. As a nonprofit organization with 501(c)(3) status, ADSCC is required to file an annual federal income tax return with the IRS and state income tax return with the AZDOR in order to remain in good standing as a tax-exempt organization.
- b. The Treasurer shall provide the financial reports, year-end summary, and supporting documentation where needed, in a timely manner to a CPA firm approved by the Board, for tax preparation and filing.

7. List of three (3) ADSCC Funds managed by ADSCC Treasurer:

- a. ADSCC checking account: Wells Fargo Bank
- b. ADSCC savings account: Wells Fargo Bank
- c. ADSCC Endowment Management Account (EMA): Merrill Lynch (Stephen Hlibok, Senior Financial Advisor, Merrill Lynch Wealth Management)

8. List of two (2) AAT Funds (doing business as ADSCC Funds) managed by AAT Social Chairperson with oversight by ADSCC Treasurer:

- a. AAT residents checking account: Desert Financial Credit Union
- b. AAT residents savings account: Desert Financial Credit Union

9. ADSCC EMA and Investment Policy:

- a. The ADSCC Board approved an Investment Policy, initially proposed and ratified on March 2, 2015, for the management of ADSCC's EMA with Merrill Lynch.
- b. The ADSCC Finance Committee shall review the Investment Policy periodically and to make recommendations for changes, where needed, for Board approval.
- c. No monies shall be taken from the EMA until after 2026 when we shall no longer be getting Incentive Management Fee from Limited Partnership. Thereafter, subject to the approval of the Board, we shall proceed to withdraw 40% of the *average gain* of the EMA over the preceding 5-year period to sponsor programs and services for AAT residents and senior residents of Arizona. The remaining 60% shall be kept in the EMA to promote continued growth. In case there is an *average loss* over the preceding 5-year period, the Board then shall make a decision on the amount to be withdrawn from the EMA, if necessary, to sponsor the needed programs and services.

ARTICLE I – NAME

ARTICLE II – MISSION, OBJECTIVE, and PURPOSE

1. The objective of ADSCC shall be to promote the social and economic well-being of deaf senior citizens residing at Apache and other future deaf friendly housing around the state

of Arizona, and to otherwise promote the quality of life of any deaf senior citizens of Arizona.

2. The purpose of this organization shall be to continually promote the development and maintenance of varying income affordable, American Sign Language friendly, barrier-free housing for deaf, hard of hearing, and deaf-blind senior citizens in the state of Arizona, and will support such concepts including, but not limited to, the following:
 - a. Creation of an unique environment with visual technology and barrier-free living that meets and supports their daily communications;
 - b. Respect the dignity of each individual;
 - c. Promotion and maximation of the continued development of each person's potential with the involvement of established deaf services agencies;
 - d. Familiarization of these citizens with national, state, and local resources that contribute to their positive image and fuller participation in mainstream society;
 - e. Continuation of building wholesome community relationships that ensure healthy, independent living during their golden years;
 - f. Creation of windows of opportunity for other interested parties to contribute to this housing that play an important role by recognizing this as a model for other parts of the country; and
 - g. Empowerment of this organization to encourage and advise a potential developer to purchase land, develop and manage a housing facility in Arizona, provide for recreational programs and needed professional counseling services in order to promote the residents' quality of life.

ARTICLE III – MEMBERSHIP

ARTICLE IV – MEMBERSHIP DUES

1. Currently the annual membership dues are as follows:
 - a. Active: \$10
 - b. Associate: \$5
2. The annual membership shall be from January 1 through December 31 of each year.
3. Any membership dues collected in November or December shall also apply to January 1 through December 31 of the following year.

ARTICLE V -- BOARD OF DIRECTORS

1. The Board shall be composed of four (4) Officers and four (4) Members-at-Large. The Officers shall be President, Vice-President, Secretary, and Treasurer.
2. The Officers and Members-at-Large shall be elected at ADSCC general meeting to be held sometime in November or December of an even numbered year for a two (2) year term starting on January 1 of the following year.
3. The majority of the Board, but with at least four (4) Board members present, shall constitute a quorum for Board meetings.
4. The majority of the Board, but with at least four (4) Board members present, shall fill vacancies, if any, between biennial elections.

5. The quorum for an Executive Committee meeting involving Officers only, when called by the President, shall be at least 3 Officers present.
6. Any Board meeting is open to the public unless the Board goes into an executive session.
7. Any Board member may be asked to serve beyond three (3) consecutive terms in the same role, where necessary, until the vacancy is filled by another active member.

ARTICLE VI -- DUTIES OF BOARD OF DIRECTORS

1. **The President** shall preside at all meetings of ADSCC and the Board of Directors; to see that the ADSCC bylaws and PPM are being enforced; to cast a deciding vote when there is a tie except in the election of the Officers; to establish committees where needed; to appoint Chairs for different established committees (with the exception of Bylaws and Finance Committees) and appoint at least two auditors subject to the approval of the Board; serve as the spokesperson for ADSCC; delegate duties to the Vice-President in the event that he/she is absent or unable to perform duties; and to perform other duties usually assigned to this office, or as assigned by the Board.
2. **The Vice-President** shall assume the duties of the President in case of the President's absence or inability to serve; serve as Chair of the ADSCC Bylaws Committee to review and maintain the ADSCC Bylaws and PPM; and perform other duties as assigned.
3. **The Secretary** shall keep a record of the proceedings of ADSCC Board, General, and Special meetings, and other meetings; keep track of all motions and different actions to ensure follow through on each one; provide updated information to the webmaster; maintain and preserve records for archives; assume the duties of the Vice-President temporarily in the event that the Vice-President is absent, unable to perform, or is moved up to the position of the President; maintains the record of award recipients; and perform other duties as assigned.
4. **The Treasurer** shall manage ADSCC funds and maintain financial records showing revenues, expenses and assets, along with supporting statements, receipts, and documents to be audited no less than two times a year; prepare an audited annual financial report for approval by the Board prior to tax preparation; maintain a database of Active and Associate members; present a summary of financial reports at Board and General meetings; serve as Chair of the ADSCC Finance Committee to (a) prepare an annual budget for approval by the Board and members, and (b) periodically review the ADSCC Investment Policy and make recommendations for changes for Board approval; provide updates of Officers and Members-at-Large to the Arizona Corporation Commission (ACC); and assume the duties of the President temporarily in the event that all of the three ranking Officers are absent or unable to perform the duties.
5. **The Members-at-Large** shall provide assistance to any of the Officers upon request; be assigned to committees as determined by the Board; and perform other duties as assigned.

ARTICLE VII -- CONFLICT OF INTEREST

ARTICLE VIII – MEMBERSHIP MEETINGS

1. The President, if desired, may appoint an Active member, who shall serve as a Parliamentarian.
2. The agenda for a General meeting shall follow this order of business:
 - Call to Order
 - Minutes
 - President’s Report
 - Vice-President’s Report
 - Secretary’s Report
 - Treasurer’s Report
 - Committee Report
 - Old Business
 - New Business
 - Election (every 2 years)
 - Announcements
 - Adjournment
3. As specified in Section 8.3 of the Bylaws, the quorum for any General or Special meeting consists of the presence of at least ten percent (10%) of Active members, excluding the members of the Board.

ARTICLE IX -- COMMITTEES

1. **Bylaws/PPM Committee**
Board VP as Chair, with members appointed by the Chair subject to approval of the Board.
2. **Finance Committee**
Board Treasurer as Chair, with members appointed by the Chair subject to approval of the Board.
3. **Auditors**
Members appointed by Board President subject to approval of the Board.

ARTICLE X – FISCAL POLICY

ARTICLE XI – OATH OF OFFICERS

ARTICLE XII – AMENDMENTS

ARTICLE XIII - DISSOLUTION

ATTACHMENT:

APACHE ASL TRAILS II LIMITED PARTNERSHIP Summary and Chart

APACHE ASL TRAILS II LIMITED PARTNERSHIP
ORGANIZATIONAL STRUCTURE SUMMARY

October 28, 2013

The "**Partnership**" means Apache ASL Trails II Limited Partnership, an Arizona limited partnership. Amended and Restated Agreement of Limited Partners of Apache ASL Trails II Limited Partnership, an Arizona limited partnership, is dated as of **May 12, 2010** ("**LPA**"). The LPA was amended by First Amendment to Amended and Restated Agreement of Limited Partnership of Apache ASL Trails II Limited Partnership dated as of **June 1, 2011**.

The "**General Partner**" means Apache ASL Trails II GP, LLC, an Arizona limited liability company. Its Manager is Cardinal Capital Management, Inc., a Wisconsin corporation ("**Cardinal**"). Cardinal hold **51%** of the Membership Interests. A second Member of General Partner is [ADSCC Apache ASL Trails II, LLC, an Arizona limited liability company. Its Member and Manager is] Arizona Deaf Senior Citizens Coalition, Inc., an Arizona nonprofit corporation ("**Arizona Deaf Seniors**"); which holds **49%** of the Membership Interests. Cardinal is also a Member of General Partner and the Developer under the Developer Fee Agreement, the initial limited partner and the Property Manager.

The "**Investor Limited Partner**" means RSEP Holding, LLC, a Delaware limited liability company. Eric McClelland is its Managing Member.

The "**Special Limited Partner**" means Red Stone Equity Manager, LLC, a Delaware limited liability company. Eric McClelland is its Managing Member.

The "**ROFR Holder**" means Arizona Deaf Seniors. The Right of First Refusal is dated as of **May 1, 2010** is attached as **Exhibit O** to the LPA. That document states that Arizona Deaf Seniors is an affiliate of General Partner.

