

ARTICLE IV. DIRECTORS

Section 4.01. The corporation shall have nine (9) Elected Directors and may have six additional directors selected by the Board of Directors known as community directors; and collectively they shall be known as the Board of Directors.

Section 4.02. The words “Directors” and “Board” as used in the Articles of Incorporation, the bylaws, or the written rules, regulation and policies of this corporation, in relation to any power or duty requiring collective action, mean “Board of Directors.”

Section 4.03. Subject to any limitation contained in the Articles of Incorporation, the Directors shall exercise the powers of the corporation, control its property, and conduct its affairs, except as otherwise provided by law.

Section 4.04.

(a) Any natural person eighteen (18) years of age or older who is and has been a Regular or Life Member of the corporation in good standing for one year preceding the date of the election or appointment shall be eligible for election or appointment as an Elected Director. An Elected Director shall be a member in good standing during their term.

(b) No person shall seek election or appointment as a director, or serve as a director, if another person from the same family is serving as a director or is seeking to serve as a director through election or appointment. For purposes of this section, the term “family” shall include spouses, children, siblings, persons sharing a household or involved in a domestic union.

Section 4.05. Each Elected Director shall serve a three-year term, with the terms of the respective Elected Directors to be staggered so that three (3) Elected Directors are to be elected each year. The terms shall commence at the annual meeting at which the results of the election of Elected Directors are announced, and shall run until the annual meeting in the third following year, unless otherwise terminated by law or in accordance with the bylaws of the corporation.

Section 4.06. Nomination and Election of Elected Directors.

(a) Nominations for the election of Elected Directors shall be submitted by voting members of the corporation in writing, by mail addressed to the Corporate Secretary at the office of the corporation or personally delivered to the Secretary or deposited in the mail box of the Corporate Secretary, to be received not earlier than November 1st nor later than December 1st of each such year. ~~The Secretary shall no later than December 10th notify all nominees in writing, either delivered personally to each nominee or sent to each nominee, postage prepaid. Nominees shall accept their nomination by written notice to the Secretary of the Corporation personally or deposited in the Secretary’s mail box at the principal office of the corporation on or before December 15th. Nominees not accepting their nomination shall be deemed to have withdrawn from the election and shall not be shown on the ballot.~~

(b) The Secretary of the corporation shall be responsible for the preparation, mailing, and receipt of the ballots. The Secretary of the corporation shall be responsible for the mailing of the ballots on or before the 31st day of January to paid-up members of record in good standing as of the 31st of December. Ballots must be returned to the secretary of the corporation so as to be received by the Secretary at the principal office of the corporation not later than 10:00am on the day of the annual meeting.

(c) Elections shall be by secret written ballot, ~~except when there are three (3) candidates and three (3) open positions, in which case voting may be by acclamation at the annual meeting of the members.~~ Each ballot shall only contain the full name of each nominee and the name of (1) the city, township or other place and (2) the state or province wherein each nominee resides, as it appears on the membership books of the corporation, together with a ~~notation indicating~~ if the nominee is an incumbent, together with voting instructions. Ballot position of nominee shall be

determined by lot.

(d) The Secretary of the corporation along with two members of the corporation selected by the Board of Directors shall be responsible for preparing a qualification statement for each candidate. Each nominee may, at the nominee's option, provide to the Secretary not later than December 31st information for such statement or the statement, these statements may be separate from the ballot but mailed with the ballot to each eligible voter. These statements shall include membership number, date of becoming a member, previous offices, activities participated in on behalf of the corporation, and elected or appointed positions held in the corporation.

(e) Each candidate shall be authorized to insert a one-page (printed on both sides) personal flyer with the ballot mailing. Such flyer shall only pertain to the candidate's service and qualifications. Flyers containing opposition material relating to other candidates shall not be permitted. Endorsements and names of Members endorsing candidates shall be allowed on or with said flyer. The text of all flyers shall be submitted to the Corporate Secretary not later than December 31st. The flyers will be reviewed by ~~a committee consisting of the Secretary and the two members preparing the qualification statements~~. The committee will approve the text or return it for revision and subsequent approval. Flyers shall not exceed one sheet of eight and one-half by eleven inch paper; however, candidates or others may utilize both sides of said paper. The Corporate Secretary shall provide with the notification of nomination the number of ballots to be mailed; at least this quantity of flyers shall be provided to the Corporate Secretary not later than the Sunday preceding the assembly date as set by the Corporate Secretary for inclusion in the ballot mailing. The cost of printing and mailing the flyers shall not be paid for by the corporation. The cost to each candidate or members submitting a flyer for the mailing of said flyers shall be determined by totaling the postage for all election related material and dividing equally among all flyers the excess postage over that which would have been required to mail the ballot, corporate prepared qualification statement and any other corporate provided material. Likewise, in the event a mailing service is used, the fees from any mailing service shall be similarly prorated. If the ballot mailing is assembled by a volunteer crew any submitter of a flyer or a designee shall be a part of the crew. The Corporate Secretary may require an advance deposit of the prorated share of the costs prior to the assembly of the ballot mailing.

(f) The Board in its rules and regulations shall provide for the balloting procedure. This procedure shall provide for a secret mail ballot as described above. Notwithstanding anything to the contrary contained herein, the Board of Directors may retain the services of an independent contractor or entity to perform all of the mailing services required by this Section 4.06. The ballot shall be folded, inserted, sealed by the voting member in a special self-addressed envelope provided by the corporation. This envelope shall be preprinted with the notation "Attn: Corporate Secretary BALLOT ENCLOSED" and shall have a return address label affixed to it which shows the individual's member number, name and address as it appears in the membership database. The membership number and name shall be compared against the list of qualified voters prior to the counting of ballots by the Secretary or persons designated by the Secretary.

(g) The Board at its February meeting shall select five members of the corporation to serve as tellers to count the ballots. These tellers shall be neither Directors, candidates for the election of Director, nor relatives, by marriage or birth, of either Directors or candidates.

(h) All directorships to be filled at any election shall be voted for together, each voting member being permitted to vote for as many candidates as there are vacancies to be filled. The three candidates receiving the highest number of votes shall be elected to the full three-year terms to be filled at that election. If any unexpired portion(s) of Director(s) terms are to be filled at that election, then the candidate respectively receiving the fourth highest number of votes shall be elected to fill the longest unexpired term of office, and so on until all vacant offices have been filled. Should more candidates than the number required to fill vacancies having the same term of office receive the same number of votes, the tie will be resolved by drawing from among those persons. Names will be drawn until the vacancies of equal term have been filled, then until vacancies of the next shorter term have been filled, and so on until the tie has been broken.

(i) Any vote cast for a person not eligible to hold office as a director or illegible or other ineffective shall be null and void; such void vote shall not have any effect on the validity of

any other vote on the ballot. Any envelope containing more than one ballot shall be void and not counted.

(j) The tellers shall receive the ballots in the unopened envelope from the Secretary on the day of the annual meeting. The tellers shall open the envelopes, remove the still folded ballot and place it in a receptacle. The ballots shall not be unfolded until the time of counting. The tellers may begin their count of the ballots prior to the hour stated for the receipt of the ballots in Section 4.06(b) provided that they receive and include in their count any ballot submitted to the Secretary at the hour stated for the receipt of the ballots in Section 4.06(b). Each candidate may send a witness to be present at the ballot counting provided that they do not interfere with the tellers. The tellers shall report and certify the accuracy and proper procedure of the vote at the annual meeting of members of the corporation as provided for elsewhere in these by-laws.

(k) Upon completion of their report the tellers shall render custody of the ballots and tally sheets to the Secretary of the corporation. The Secretary will retain the envelopes, ballots and tally sheets for not less than three (3) years. During this retention they will be treated as part of the records of the annual meeting of members that they were reported at.

Section 4.07. Community Directors

~~(a) The appointment of Community Directors shall be at the sole discretion of the Board of Directors.~~

~~(b) Only Elected Directors shall participate in the nomination and selection process of appointing Community Directors.~~

~~(c) In order to be eligible for consideration as a Community Director, a person must have demonstrated an interest in the goals and mission statement of the corporation; and occupy a position of stature within the Community consistent with the high integrity standard of the corporation and its purposes. Candidates must be able to provide a substantial contribution to the corporation with regard to enhancing the development program or provide other needed support or expertise necessary for the successful operation of the corporation.~~

~~(d) In the event the Elected Directors desire to nominate a candidate, a person may be nominated by an Elected Director or a Nominating Committee may be formed for the purpose of considering nominations. The Nominating Committee shall consist of no less than three (3) and no more than five (5) Elected Directors named by the Chairman of the Board. The Nominating Committee shall select a chair and shall conduct a review process to determine if the candidate meets the criteria of these bylaws and the current needs of the corporation. The Nominating Committee may engage in performing background checks and assuring candidates meet the ethical and integrity requirements of serving the corporation. Upon completion of its review, the Nominating Committee may, at its sole and exclusive discretion, recommend to the Elected Directors the offering of a Community Director position to the candidate under consideration. In order to be named a Community Director the candidate must be approved by a two-thirds vote of the Elected Directors attending a duly held meeting of the Board of Directors.~~

~~(e) The term of Community Directors shall be one (1) year from the date the candidate is confirmed by the Board of Directors in accordance with subparagraph d) above.~~

~~(f) Community Directors shall be subject to Section 4.11(a), Section 4.12(a) and Section 4.12(b) of these by-laws.~~

~~(g) Should a vacancy occur among the Community Directors the position shall be considered vacant and may only be filled in accordance with the provisions of this section.~~

~~(h) Community Directors need not be members of the corporation when appointed and confirmed; but, should they not be a member, they shall be provided with a complimentary Regular Membership in the corporation during their term in as Director.~~

Section 4.08. Meetings.

(a) Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board of Directors.

(b) The Board of Directors shall hold an Organizational Meeting preceding the next Regular Meeting of the Board, following the Annual Meeting of Members. This meeting shall be

open to such members or other persons as the Board deems appropriate.

(c) Regular Meetings of the Board shall be open to members, and at the discretion of the Board may be open to the public. Such meetings shall be held without call or notice on the third Saturday of each month except the month of December, during which the Regular Meeting shall be held on the second Saturday of the month. Regular Meetings shall be held at the Principal Office of the corporation ~~at such times as the Board of Directors shall determine. The Board of Directors shall use its best efforts to advise the membership in advance of the time of such meeting.~~

(d) Special Meetings of the Board may be called by the Chairman of the Board, the President, any Vice President, the Secretary, or by any two directors. Such meetings shall be held upon 48 hours' notice delivered personally or by telephone, email or facsimile. Such notice shall be sent to the postal address, telephone number, email account address or facsimile number as on record with the corporation. The use of email or facsimile shall only be to those Directors who have consented previously to such communication; the corporation shall maintain a record of any such electronic notifications.

(e) The transaction of any meeting of the board, however called and noticed or wherever held, are as valid as though the meeting had been duly held at the proper call and notice, provided a quorum as hereinafter defined, is present and provided that either before or after the meeting each of the directors not present signs a waiver of notice, a consent to holding of the meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(f) A quorum shall consist of ~~fifty one per cent (51%) or more of the directors.~~

(g) Notwithstanding provisions of Section 4.08(b) all meetings of the board shall be open to individual members (or representatives of corporate members), Affiliates, and Associates, except that the Board, in its discretion, and by a majority vote of directors present may (i) exclude any persons from the meeting for disorderly contact or conduct tending to disrupt the meeting, (ii) exclude all persons other than voting members of the corporation, (iii) exclude all persons except those deemed necessary for the mater(s) being considered, or (iv) exclude all persons other than directors.

Section 4.09. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the law, the Articles of Incorporation of this corporation, or these bylaws require a greater number.

Section 4.10. Any action required or permitted to be taken by the Board of Directors under any provisions of the law may be taken without a meeting, if all the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous voice of such directors. Any certificate or other document filed under any provision of law which relates to actions so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the bylaws of the corporation authorize the directors so to act, and such statement shall be prima facie evidence of such authority.

Section 4.11. Removal.

(a) The Board may declare vacant the office of any director who has: (i) been declared of unsound mind by a final order of court; or (ii) been convicted of a felony; or (iii) who has been found by a final order or judgment of any court to have breached any duty under Article 3, commencing with Section 5230, of the California Corporations Code.

(b) The Board may declare vacant the office of any Elected Director who is no longer a member in good standing of the corporation,

(c) Any or all directors may be removed without cause if, (i) so long as the corporation has fewer than 50 members, such removal is approved by a majority of all members; or (ii) where the corporation has 50 or more members, such removal is approved by an affirmative vote or written ballot of a majority of the votes represented and voting at a duly held meeting at which a

quorum is present (which affirmative vote also constitutes a majority of the required quorum).

Section 4.12. Vacancies.

(a) Vacancies in the Board of Directors shall exist: (i) on the death, resignation or removal of any director; (ii) whenever the number of directors authorized is increased; or (iii) on failure of the members in any election to elect the full number of directors authorized.

(b) The Board of Directors shall declare vacant the office of a director if within sixty days after notice of his/her election or selection he/she does not accept the office either in writing or by attending a meeting of the Board of Directors; or at the discretion of the Board of Directors the Board of Directors may declare vacant the office of a director who fails to attend four or more regular meetings of the Board of Directors during the preceding 12 month period.

(c) If a vacancy should occur in the office of an Elected Director prior to the expiration of that term of office the Elected Directors then remaining in office may fill such vacancy by appointment. If such vacancy should occur prior to the first day nominations may be submitted the appointment term shall expire with the next election of Elected Directors. If such vacancy should occur after the first day nominations may be submitted but prior to the election of Elected Directors the appointment term shall expire with the second following election of Elected Directors, unless the term should end earlier. Should a balance remain in the term after the expiration of the appointment the members shall elect an Elected Director to serve the remainder of the term as specified in Section 4.06.