

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

BYLAWS

ARTICLE I GENERAL PURPOSES AND OFFICES

Section 1. General Purpose

This Corporation shall be conducted as a nonprofit mutual benefit corporation.

The following Bylaws shall be the rules and regulations of the Golden Rain Foundation of Walnut Creek, except as otherwise may be provided by statute or its said Articles of Incorporation.

Section 2. Offices

The principal office for the transaction of the business of this Corporation is hereby fixed and located at 1001 Golden Rain Road, Walnut Creek, Contra Costa County, California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in the City of Walnut Creek.

ARTICLE II MEMBERSHIP

Section 1. Definitions

As used herein:

- a. **FOUNDATION** is the Golden Rain Foundation of Walnut Creek.
- b. **MANOR** is any residential habitation originally intended as a one-family unit of housing in Rossmoor, Walnut Creek.
- *c. **MUTUAL** is any corporation which owns and manages a cooperative housing project in Rossmoor, Walnut Creek (referred to in these Bylaws as a "cooperative mutual") or which manages a condominium project in Rossmoor, Walnut Creek (referred to in these Bylaws as a "condominium mutual") or which manages a planned development project in Rossmoor, Walnut Creek (referred to in these Bylaws as a "planned development mutual").
- *d. **MEMBER** is one or more natural persons residing in a single manor, one of whom must be at least 55 years of age; having either a fee simple ownership interest in a

condominium or planned development or being a shareholder in a cooperative or, in the alternative, being the designated occupant identified by the owner or shareholder.

- *e. **DESIGNATED OCCUPANT** is any person residing in a cooperative mutual or a condominium mutual or a planned development mutual who has been designated by the owner or shareholder of that manor as an approved occupant in accordance with the terms and conditions imposed by that Mutual.
- f. **MEMBERSHIP** refers to the rights a member has pursuant to the Articles of Incorporation, the Bylaws, and Regulations of this Foundation.

Section 2. Classification

There shall be one class of members. Each member shall be entitled to exercise all the rights and privileges of the Foundation, including, but not limited to, voting and holding office as a director, subject to the limitations contained in the Articles of Incorporation, the Bylaws and the Rules of the Foundation.

Section 3. Membership Application

Applications for membership shall be in such form as shall be prescribed by the Board of Directors and shall be made concurrently with application for membership in a Mutual; provided, however, that an application for membership of a person who is a designated occupant shall be filed by that person concurrently with the owner's designation of such person.

***Section 4. Membership Fees**

The Board of Directors shall, from time to time, fix and determine amounts to be paid as membership fees and membership transfer fees by each member.

Section 5. Transfer of Membership

A membership can be transferred only:

- a. Upon the transfer by a member of a Mutual of the membership in the Mutual to which the Foundation membership is appurtenant; or
- b. Upon a change in designation of occupant by the owner of a condominium or shareholder of a cooperative manor.

The membership must be transferred to the transferee of the Mutual membership or to the new designated occupant of the condominium or cooperative manor. Any attempt to make a transfer other than as permitted shall be void and will not be reflected on the books and records of the Foundation. In the event the owner or transferor of any membership in a Mutual should fail or refuse to transfer the appurtenant membership in the Foundation to the transferee of such membership in the Mutual, or should any designated occupant fail or

refuse to so transfer upon a termination of occupancy, the Foundation shall have the right to record the transfer from the books of the Foundation and issue a new membership certificate to the transferee or to the newly designated occupant, and thereupon the old certificate shall be null and void as though it had been surrendered.

In the event a Mutual exercises an option to purchase a membership upon the death or departure of a member, it shall have an option to purchase the appurtenant membership in the Foundation on the same terms and conditions and at an amount equal to the market value thereof, minus any amounts due by the member to the Foundation.

Section 6. Termination of Membership

In the event a Mutual, pursuant to its Bylaws, terminates the rights of a member and repurchases or effects the sale of the Mutual membership, the appurtenant rights as a member of the Foundation shall automatically terminate, and the Mutual shall have the right, at its option, either to repurchase at market value or effect a sale of the membership in the Foundation to the purchaser of the membership in the Mutual to which it is appurtenant at a price acceptable to the Mutual. In the event the holder of a security interest in a membership certificate or a manor forecloses, exercises a power of sale, or otherwise realizes upon said security interest, such holder may effect a sale of the Foundation membership to the purchaser of the Mutual membership when approved by that Mutual and the Foundation.

The member whose membership has been terminated shall promptly return to the Foundation the membership certificate endorsed in such manner as may be required by the Foundation and any other identification issued. If the member fails to do so, that membership certificate shall be null and void as though it had been surrendered, and the Foundation shall have the right to issue new evidence of membership as the circumstances require.

The member whose membership has been terminated shall be entitled to receive the market value of the membership, or the sales price thereof, if sold to another purchaser, less any amounts due the Foundation and any sales expense incurred by the Mutual.

The procedures, including hearing and notice, utilized by a Mutual in connection with termination of membership shall constitute the procedures of the Foundation with respect to termination of membership in it.

Section 7. Voting Rights of Members

The membership for each manor shall be entitled to one vote in each election, referendum or initiative conducted by the Foundation, even though it stands in more than one name. If more than one of the persons in whose names a membership stands attempt to exercise any right or privilege of such membership contrary to or inconsistent with the act of another such person, then the membership shall not be deemed to have exercised the right or privilege at all.

In an election for Foundation directors, only memberships in the districts to be represented shall be entitled to vote. In any other matter qualified for balloting, all memberships shall be entitled to vote.

Section 8. Voting Rights of F.H.A. and Mortgagees

In the event that any of the property of a cooperative mutual is acquired by the Federal Housing Commissioner/Federal Housing Administration (herewith referred to as FHA) or a mortgagee holding an FHA-insured mortgage on said property, or by a successor in interest to the FHA, or said mortgagee, said party shall automatically become entitled to cast the vote of each and every member of the Mutual property acquired.

Section 9. Representation of a Membership

Whenever the presence, vote, signature or consent or other action of a membership is required in the conduct or regulation of the affairs of the Foundation, it shall be deemed to be represented when any one of its owners of record or designated occupants is present or is recorded as voting or giving consent or otherwise acting.

Section 10. Petitions

Any member may sign a petition for nomination of a candidate or for consideration of an issue or an amendment to the Bylaws in an election, but only one signature per membership shall be counted in determining the petition's eligibility or the number of signatures it contains.

Section 11. Ballots

Any member anticipating absence from the community at the time of an election or balloting may request a ballot from the Secretary in writing on such form as the Board of Directors from time to time may specify. The ballot and other election material shall then be sent to the address designated by the member who may then vote by mail. Such vote will be counted if it is received by the Secretary within the time limit established for balloting, provided no other ballot representing the same membership has been previously received.

**ARTICLE III
MEETING OF MEMBERS**

Section 1. Place of Meetings

All meetings of the members shall be held at the principal office of the Foundation or any other place reasonably accessible to the members in the County of Contra Costa, California, which may be designated in the required notice to members.

Section 2. Annual Meeting

An annual meeting of members shall be held on the second Monday in May of each year; provided, however, that if such day shall fall upon a legal holiday, then such annual meeting shall be held on the next Monday which is not a legal holiday.

Section 3. Special Meeting

A special meeting of members for any purpose or purposes whatsoever may be called at any time by the President, or by the Board of Directors, or by written request to the Secretary signed by members representing at least five percent (5%) of the memberships, which request shall specify the purpose (or purposes) of the meeting. Upon such request, the Secretary shall forthwith cause notice to be given to the members entitled to vote that a meeting will be held at a time fixed by the Board, which time must be not less than thirty-five (35) nor more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the members requesting the meeting may give the notice.

Section 4. Notices of Meetings

The Secretary shall give notice of each annual or special meeting of members by:

- a. Sending a copy of a written notice to each member at that member's address appearing on books of the Foundation, or other address supplied by the member for the purpose of notices. Such notice shall be sent not less than ten (10) nor more than ninety (90) days before the meeting date if sent by first-class, registered or certified mail; otherwise, the notice shall be given not less than twenty (20) days before the meeting date. The notice shall specify the place, date and time of the meeting; or
- b. Publication of the place, date, time and purpose of the meeting in three successive issues of the Rossmoor News (or any successor publication), with the third publication appearing not less than five (5) days before the meeting date. This method of giving notice may be used only if the Rossmoor News (or successor publication) is mailed or delivered to all members of the Foundation.
- c. Each notice of an annual meeting shall state those matters which the Board at the time the notice is given intends to present for action.
- d. Each notice of a special meeting shall clearly state the general nature of business to be transacted or issues to be considered.
- e. In election of directors, ballots shall be sent by mail or hand delivery only to members in each district from which a director is to be elected. Notices in all matters other than elections of directors shall be sent to all members.

Section 5. Quorum

A quorum shall consist of at least twenty percent (20%) of the membership and is a requisite for the transaction of Foundation business. Any member who has cast a ballot prior to the meeting in accordance with procedure approved by the Board of Directors shall be deemed present at that particular annual or special meeting for the purpose of establishing a quorum.

The members present at a duly called or held meeting, at which a quorum is present, may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, but any action taken (other than adjournment) must be approved by at least a majority of the members required to constitute a quorum. Where the election or voting on an issue is by ballot procedure, approval of the results at an annual or special meeting is not required; provided, however, the results of the balloting shall be officially declared in the presence of members attending that meeting. Notwithstanding any other provision contained in this Article III with respect to a quorum at any meeting, whether regular, special, adjourned or otherwise, no quorum transaction of any business shall exist without the presence of the party(ies) exercising the voting rights of the members pursuant to Section 9 of Article III hereof.

Section 6. Record of Notice

When notice of a meeting has been given as prescribed in Section 4 of this Article III, an entry shall be made in the Foundation records by the Secretary certifying that notice has been duly given. Such entry shall be conclusive and incontrovertible evidence that notice of such meeting was given as required by law and the Bylaws.

Section 7. Adjourned Meetings

If any meeting of members cannot be organized because a quorum has not attended, the members who are present may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten percent (10%).

Section 8. Majority Vote

The vote of the majority of members present in person at a meeting and those members casting ballots previously (subject to limitation of one vote per membership), reported at any meeting as authorized herein, shall decide any question brought before such meeting and be binding on all members of the Foundation, unless the question is one upon which by express provision of law of the State of California or the Articles of Incorporation or these Bylaws a different vote is required, in which case such express provision shall govern and control.

No member shall be eligible to vote who is shown on the books of management accounts of the Foundation to be more than ninety (90) days delinquent in payments due the Foundation or a Mutual.

Section 9. Order of Business

The order of business at each annual meeting of members shall be:

- a. Proof of notice of meeting or waiver of notice
- b. Quorum report
- c. Approval of minutes of preceding annual or special meeting
- d. President's report
- e. Report of election, followed by induction of any new directors
- f. Any other matters qualified by membership or by the Board of Directors for presentation or discussion.

The agenda for any special meeting shall be limited to the item or items specified in the notice of meeting. If present, a representative of the FHA shall be given an opportunity to address any annual or special meeting.

Section 10. Record Date

a. Determined by Board of Directors

For the purpose of determining which members are entitled to receive notice of any meeting or to vote, the Board of Directors may fix in advance a "record date" which shall not be more than sixty (60) nor fewer than ten (10) days before the date of such meeting. Only members of record on the date so fixed are entitled to notice or to vote, as the case may be, notwithstanding any transfer of any membership on the books of the Foundation after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Corporation Law.

b. Failure of Board to Determine Date

i. Record Date for Notices or Voting

Unless fixed by the Board of Directors, the record date for determining those members entitled to receive notice of or to vote at a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held.

- ii. "Record date" means as of close of business. For purposes of this paragraph (b), a person holding membership as of the close of business on the record date shall be deemed the member of record.

ARTICLE IV DIRECTORS

Section 1. Powers

- a. Except as otherwise herein provided, the business affairs of the Foundation shall be carried on and conducted by the Board of Directors. All corporate powers shall be exercised by and through the Board of Directors. At the annual meeting of members each year, the Board of Directors shall make a written report of its actions and proceedings during the preceding year, and shall make such recommendations regarding future operations as they may deem advisable.
- *b. The Foundation shall not expend or obligate more than \$750,000 for any Capital Project without first obtaining an affirmative vote of a majority of the ballots cast by the Members.¹

As used in this section, "Capital Project" shall mean the purchase or construction of, addition to, or change in form or function of any single long-term asset. Long-term asset shall mean land, land improvement, or structure held or to be held for the benefit of Members, irrespective of the manner in which held, whether by the Foundation, in trust or by any other legal entity controlled by the Foundation. Land improvements shall include but not be limited to streets, parks and golf courses. A Capital Project shall not be divided to avoid this section.

Maintaining existing land, land improvements, and structures in their original form and function shall be excluded from the definition of Capital Project.

Section 2. Number, Qualification and Term of Office

- *a. One director shall be elected from each district shown on Exhibit "A" hereto. Each such director shall be a member in good standing of a Mutual within the district from which elected and must reside in said district. No director when taking office or thereafter while serving as a Foundation director shall be a director of any Mutual. A member may be elected as a director no more than twice.
- b. Additional election districts may be designated and existing districts may be modified, at the discretion of the Board of Directors. If modification of the boundaries of an existing district or districts results in creation of a district in which no director resides, the office of director for such district shall be filled by nomination and election, as hereinafter provided.

¹The Amendments adopted in 1978 and 2002 [Bylaw Article IV, Section 1(b)] which require the approval of the members of the Foundation before it can incur expenses for a Capital Project in the amounts of, respectively, \$250,000 and \$750,000 were found by the Contra Costa Superior Court to be invalid in re TRUST OF GOLDEN RAIN FOUNDATION, Case No. MSP03-00678 (4/10/2003), and SOLLOWAY vs. GOLDEN RAIN FOUNDATION, Case No. MSC03-00971 (4/24/2003).

If modification results in one or more directors remaining in a modified district, such directors shall continue to serve the modified district for the balance of the term for which such directors were elected.

- c. The term of office of any director elected from a district in addition to districts shown in Exhibit "A" shall be three (3) years; provided, however, that if, as a result of designation of additional election districts or modification of existing election districts the terms of more than one-third (1/3) plus one of the total number of directors of the Foundation would expire at an annual meeting, the directors declared elected at the annual meeting coincident with or immediately succeeding such designation or modification (other than those elected to complete an unexpired term pursuant to Section 3) shall draw lots promptly after their election to determine the length of their terms so that after such drawing, the terms of no more than one-third (1/3) plus one of the total number of directors of the Foundation shall expire at any annual meeting. The terms for which such directors shall draw shall be one year, two years or three years, and the distribution of such terms shall be that necessary to achieve terms as provided herein.

At the expiration of the term of office of each respective director, a nominee (who must reside in the district from which elected) shall be elected to serve a term of three (3) years.

- d. Directors shall be declared elected and shall be installed at the Annual Meeting of Members.
- e. The Secretary shall cause to be published in the Rossmoor News (or any successor publication) on the second publication date in February of each year a notice describing the election districts in which vacancies will be occurring and stating that petitions nominating persons to be elected as directors to fill such vacancies will be received by the Secretary until 4:00 p.m. on a date to be established by the Board annually that is not less than fifty (50) nor more than one hundred twenty (120) days before the directors are to be elected. No nominations for the Board can be made after the date set for the close of nominations.
- f. Each nominating petition, to receive consideration, must bear signatures of members representing at least ten percent (10%) of the memberships in the election district wherein the nominee resides and must be accompanied by a statement of three hundred (300) words or less setting forth the nominee's background and qualifications and views on issues which the nominee expects will be involved in the election.
- g. In the event any period for nominating directors expires with no nominations for a position which is to be filled, the Board shall immediately designate a committee composed of three (3) members who reside in the district from which the director is to be elected to act as an Emergency Nominating Committee. That committee shall meet forthwith and select one or more nominees, obtaining assurance of each nominee's willingness to serve. Upon presentation of the name or names to the Secretary, the committee shall cease to exist.

- *h. Election of directors shall be within each district from which a director is to be chosen and shall be by secret ballot. The Secretary shall send a ballot and a copy of each candidate's statement to each membership situated within the district on the date ballots are sent. With each ballot shall be a notice cautioning that only one vote per membership will be accepted. Ballots shall be sent not less than ten (10) calendar days nor more than ninety (90) calendar days prior to the date of election. To be counted, ballots shall be received by an independent agency designated by the Board and no later than the date and time stated in the ballot. A quorum for the purpose of a vote on a director shall consist of at least twenty percent (20%) of the membership in the district.
- i. Proper distribution, receipt and counting of ballots is a responsibility of the Secretary. Ballot counting shall be observed and certified by either a certified public accountant or by some other independent and competent person or persons designated by the Board of Directors. The Board shall prescribe procedures as it deems necessary to assure integrity and secrecy of balloting and compliance with the limitation of one vote per membership.
- j. A candidate in each election district receiving a plurality of votes cast in that district shall be certified as elected.
- k. If after the close of nominations the number of candidates nominated for the Board in the district is not more than the number of directors to be elected for the district, the Board may, without further action, declare that those nominated and qualified to be elected have been elected.

Section 3. Vacancies and Removal of Directors

A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:

a. Events Causing Vacancy

- i. The death or resignation of any director;
- ii. The declaration by resolution of the Board of Directors of a vacancy of a director who has become more than thirty (30) days delinquent in any payments due the Foundation or who, without good cause, does not attend three (3) consecutive Board meetings (unless said three meetings are held within a one hundred [100] day period), or who has been declared of unsound mind by order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Section 7230 and following of the California Nonprofit Corporation Law;
- iii. The vote of the members to remove a director;
- iv. The increase of the authorized number of directors; or

- v. The failure of the members at any meeting of members at which any director or directors are to be elected to elect the number of directors to be elected at such meeting.

b. Removal by Members

A petition for removal of a director must bear signatures representing not less than one-third (1/3) of the memberships in the district then represented by that director. A statement of the grounds for removal, if any, shall accompany any such petition and a copy of that statement shall accompany each notice of election. Any director whose removal is being considered shall be given an opportunity to present a statement or rebuttal which must accompany the notice of election. Upon receipt of a valid petition, the Board of Directors shall call a special district election to consider the removal of a director. Any director may be removed with or without cause by votes which represent a majority of the memberships in the district from which that director was elected.

c. Resignation

Any director may resign, which resignation shall be effective on giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the resignation to become effective.

d. Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each such person so selected shall be a director until a successor is elected by the membership of the district at the next regular election date to serve out the unexpired portion of the term. Any director so elected by the Board must reside in the same district as the predecessor. If a director moves from his elected district to another district during his term, he shall continue to serve in the district for which he was elected until the next regular election date, at which time the membership of the district will elect the successor to serve out the unexpired portion of the term.

***Section 4. Meetings and Access**

a. Meetings

- i. Regular meetings of the Board of Directors shall be held as determined by a majority of the directors.
- ii. Special meetings may be called by the President or upon written request of a majority of the directors, due notice having been given in writing at least four (4) days in advance of such meeting to all directors.

- iii. An emergency meeting of the Board of Directors may be called by the President of the Foundation or by any two directors if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board of Directors, and which by necessity make it impracticable to provide notice.
- iv. As used in this section, “meeting” shall mean any congregation of a majority of directors at the same time and place to hear, discuss, or deliberate upon any item of business scheduled to be heard or to be considered or acted upon by the Board of Directors, except those items that may be discussed in executive session.
- v. Written minutes of the proceedings of meetings of the Board of Directors shall be prepared and maintained.

b. Access to Meetings and Minutes

- i. All meetings of the Board of Directors shall be open to Members except when the Board of Directors adjourns to executive session.
- ii. Any meeting of the Board of Directors can be held in executive session and shall be closed to consider litigation, matters relating to the formation of contract with third parties, Member discipline, or personnel matters. Any subject discussed in executive session shall be generally noted in the minutes of the Board of Directors.
- iii. The Board of Directors shall permit any Member to speak at any meeting of the Board of Directors, except for meetings held in executive session. The Board of Directors may establish a reasonable time limit for all Members to speak to the Board of Directors.
- iv. The minutes and minutes proposed for adoption, marked as to their draft status, or a summary of minutes of meetings of the Board of Directors, except meetings held in executive session, shall be made available to Members within 30 days after the meeting. Minutes, proposed minutes or summary minutes shall be distributed to any Member upon request.

Section 5. Place of Meetings

All meetings of the Board of Directors shall be held at the principal office of the Foundation or at any other place in the City of Walnut Creek, California, as shall be determined by a majority of the directors.

Section 6. Quorum

A majority of the authorized number of directors shall be necessary to constitute a quorum for transaction of business. 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 shall be regarded as the act of the Board of Directors unless a greater number be required by law or by the Articles of Incorporation.

Section 7. Fees and Compensation

Directors shall receive no compensation for their services, but may receive such reimbursement for expenses as may be fixed by resolution of the Board.

**ARTICLE V
OFFICERS**

****Section 1. Officers**

The officers of the Foundation shall be a President, a Vice President, a Chief Executive Officer, a Secretary and a Treasurer, all of whom shall be members of the Board of Directors, except the Chief Executive Officer who shall serve as an ex-officio member thereof without vote. The Chief Executive Officer shall not be a member of the Foundation.

The Foundation may also have such other officers as may be appointed by the Board of Directors.

Section 2. Election

The officers shall be chosen annually at the organization meeting by the Board of Directors and each shall hold office until resignation, removal or is otherwise disqualified to serve, and until a successor shall be elected and qualified.

Section 3. Removal and Resignation

Any officer may resign or may be removed with or without cause by a majority vote of the Board of Directors at any time. Vacancies caused by death, resignation or removal of any officer may be filled by appointment by the Board of Directors or by the President until such appointment by the Board of Directors.

Section 4. President

The President shall preside at all meetings of the members of the Foundation and shall perform such other duties as ordinarily pertain to such office.

****Amended by implication via amendment to Article V, Section 8
Section 7.**

Section 5. Vice President

The Vice President shall, in the absence or disability of the President, perform all the duties of the President and, when so acting, shall have the powers of and be subject to the restrictions upon the President.

Section 6. Secretary

The Secretary shall keep at the principal office of the Foundation a book of minutes of all meetings of directors and members, with the time and place of holding, how called or authorized, the notice thereof given, the names of those present at directors= meetings, the number of members present or represented at members= meetings, and the proceedings thereof. The Secretary shall keep at the principal office of the Foundation a register showing the names and addresses of the members.

Section 7. Treasurer

The Treasurer shall keep and maintain or cause to be kept or maintained, adequate and correct books of account showing the receipts and disbursements of the Foundation and an account of its cash and other assets. The Treasurer shall deposit or cause to be deposited all monies of the Foundation, with such depositories as are designated by the Board of Directors and shall disburse or cause to be disbursed the funds of the Foundation as may be ordered by the Board of Directors and shall render to the President or the Board of Directors upon request statements of the financial condition of the Foundation.

***Section 8. Chief Executive Officer**

Subject to the control of the Board of Directors and the President, the Chief Executive Officer shall be the executive officer of the Foundation and shall have general supervision, direction and control of the affairs of the Foundation.

**ARTICLE VI
COMMITTEES**

The Board of Directors, by resolution adopted by a majority of the number of directors then in office, provided a quorum is present, may appoint such standing or special committees as may be deemed necessary for the administration of the affairs of the Foundation.

**ARTICLE VII
MISCELLANEOUS**

Section 1. Execution of Documents

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Foundation, and such authority may be general or continued to specific instances; and, unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Foundation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 2. Inspection of Bylaws

The Foundation shall keep in its principal office the original or a copy of its Articles of Incorporation and these Bylaws, as amended, or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

Section 3. Inspection of Records

The membership register, the books of accounts and minutes of proceedings of the members and directors, including committee meetings, shall be open to inspection upon demand of any member at any reasonable time during office hours and for a purpose reasonably related to the member's interest.

***Section 4. Annual Report**

The Board of Directors shall cause an annual financial report to be prepared and annually shall notify each Member of the Member's right to receive it.

Section 5. Construction and Definitions

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California Nonprofit Corporation Law shall govern the construction of these Bylaws.

Section 6. Rules of Order

The rules contained in Robert's Rules of Order, Newly Revised, shall govern all members' meetings and directors' meetings of the Foundation except in instances of conflict between said Rules of Order and the Articles or Bylaws of the Foundation or provisions of law.

Section 7. Fidelity Bonds

The Board of Directors shall require that all officers and employees of the Foundation handling or responsible for Foundation funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Foundation.

Section 8. Number and Gender

Number and gender as used in these Bylaws shall extend to and include both singular and plural and all genders as the context and construction require.

Section 9. Election Procedures

The Board of Directors shall prescribe and approve all details of election procedures which are not specified in these Bylaws and shall insure that adequate staffing is provided in each and every election to assure compliance with approved procedures. The Board shall cause to be prepared and updated as appropriate a written Manual of Election Procedures, copies

of which shall be available to all persons directly involved in the conduct of elections. The President, with Board concurrence, may at any time appoint one or more members to act as advisors and observers of nomination and election procedures.

***Section 10. Disclosure of Executive Employee Compensation**

- a. The amount of Compensation provided to an Executive Employee by the Foundation shall be disclosed to the Members.
 - b. A brief description of the current pension or retirement plan applicable to the Executive Employees shall be disclosed to the Members, including, but not limited to, the formula for determining the benefits to be paid under the plan.
 - c. The terms and conditions of any employment contract existing between the Foundation and an Executive Employee shall be disclosed to the Members, including, but not limited to, any severance or similar payment which will be made in the event of resignation, retirement or other termination of employment of such Executive Employee.
 - d. Changes in Compensation made during the fiscal year shall be disclosed to the Members.
 - e. As used in this section, "Executive Employee" shall mean:
 - **i. All individuals serving as the Foundation's Chief Executive Officer during the last completed fiscal year regardless of the amount of Compensation paid, and
 - **ii. The Foundation's four most highly compensated employees during the last completed fiscal year other than the Chief Executive Officer
 - f. As used in this section, "Compensation" shall mean salary, bonuses, and all fringe or other benefits, paid to or for the Executive Employee, or given to the Executive Employee, during the last completed fiscal year. If furnished rather than paid to the Executive Employee, then the Compensation benefit shall be described.
 - g. **Time and Manner of Disclosure**
 - i. The disclosure required to be made under subsections a, b, and c of this section shall be made within 60 days after the effective date of this section.
- **Amended by implication via amendment to Article V, Section 8**
- ii. Thereafter, the disclosures required to be made under subsections a and b of this section, shall be made within 30 days after the end of each fiscal year.
 - iii. With regard to employment contracts entered into after the effective date of this section, the disclosures required to be made under subsection c of this section shall

- be made within 30 days after the contract has been entered into between the Board of Directors and the Executive Employee.
- iv. The disclosure required to be made under subsection d of this section shall be made within 30 days after the Board of Directors approves the change.
 - v. The disclosures required by this section may be made by publication of the required information in the Rossmoor News.
 - h. Nothing in this section shall prohibit the Board of Directors from disclosing the Compensation provided to any Foundation employee.
 - i. This section shall supersede any other provision to the contrary in these Bylaws.

ARTICLE VIII AMENDMENTS

Section 1.

These Bylaws may be amended at any annual or special meeting by the written assent of a majority of the memberships of record casting ballots by mail or by hand delivery to the Administration Office in the envelope provided; provided further, that no amendment shall become effective unless and until it has received the written approval of the Federal Housing Administration. Amendments may be proposed by the Board of Directors or by petition signed by at least ten percent (10%) of the memberships. Proposed amendments must be submitted to the Secretary at least ninety (90) days prior to the annual meeting or at least forty-five (45) days prior to a special meeting, as the case may be, and notice thereof shall be published forthwith in The Rossmoor News (or other newspaper in the Rossmoor community succeeding The Rossmoor News).