

RESTATEMENT
(PURSUANT TO CALIFORNIA CIVIL CODE SECTION 4235)
OF
RESTATED BYLAWS
OF
LAKE SHASTINA PROPERTY OWNERS ASSOCIATION

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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**ARTICLE I
Recitals and Definitions**

Section 1.1. Name of Association. The name of this corporation is Lake Shastina Property Owners Association and shall be referred to herein as the "Association".

Section 1.2. Association Is Nonprofit. The Association has been formed pursuant to the California Nonprofit Public Benefit Corporation Law (Cal. Corp. Code, §5110 et seq.) as a nonprofit public benefit corporation.

Section 1.3. Specific Purposes. The specific and primary purposes of this Association shall be to: (i) provide for the management, maintenance, protection, preservation and development of the Lake Shastina residential planned development located in the County of Siskiyou, State of California (the "Properties"); (ii) acquire, own, lease, control, maintain, protect, manage and develop the shoreline, parks, roads, streets, information kiosk, boat launch facilities, easement areas, and other Common Areas and community facilities of the Properties; (iii) exercise with regard to such areas and facilities all the powers, functions, rights and privileges which may be granted to the Association pursuant to the Declaration and other Governing Documents; (iv) enforce the Governing Documents (including the Association Rules adopted by the Board of Directors); (v) maintain in a clean and orderly manner that portion of the shoreline of Lake Shastina which is in immediate proximity to the Properties; (vi) enhance and promote the use and enjoyment of the Common Areas and Common Facilities by the Owners in common; (vii) promote the welfare, health, safety and beauty of the Properties and the improvements therein for the mutual benefit, pleasure and recreation of the Lake Shastina community; and (viii) take such action as in the judgment of the Board of Directors shall be necessary or proper or incidental to the foregoing purposes of the Association.

Section 1.4. Definitions.

(a) Declaration. "Declaration" means, collectively, the various Declarations of Covenants, Conditions and Restrictions which have been Recorded against the Properties, as such Declarations have been or may hereafter be supplemented, amended or modified from time to time.

(b) Member in Good Standing. "Member in good standing" means a Member who is current in the payment of all Assessments levied against the Member with respect to all of his or her Lots and who is not subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with Section 13.6 of the Declaration.

(c) Properties. "Properties" means the real property located in the County of Siskiyou, State of California, more particularly described on attached Exhibit "A".

(d) Other Definitions Incorporated by Reference. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

ARTICLE II
Location of Principal Office

Section 2.1. Principal Office. The principal office for the transaction of the business of the Association is hereby fixed and located at 16320 Everhart Drive, Weed, County of Siskiyou, State of California. The Board is hereby granted full power and authority to change, by resolution, the principal office from one location to another in the County. Any such change shall be noted in the Association's corporate minute book, and this section may, but need not, be amended to state the new location.

Section 2.2. Other Offices. Branch or subordinate offices may at any time be established by the Board at any place or places where the Association is qualified to do business.

ARTICLE III
Membership

Section 3.1. Members of the Association. Every Owner of a Lot within the Properties is a Member of the Association. Membership in the Association is appurtenant to, and may not be separated from, ownership of any Lot.

Section 3.2. Term of Membership. Each Owner shall remain a Member until he or she no longer qualifies as such under Section 3.1 of these Bylaws. Upon the sale, conveyance or other transfer of an Owner's interest in a Lot, the Owner's membership interest appurtenant to the Lot shall automatically transfer to the Lot's new Owner(s).

Section 3.3. Multiple Ownership of Lots. Ownership of a Lot shall give rise to a single membership vote in the Association. Accordingly, if more than one person owns a Lot, all co-Owners of such Lot shall be deemed to be one Member for voting purposes, although all such co-Owners shall have equal rights as Members to use and enjoy the Common Areas and Common Facilities. Any one of the co-Owners shall be entitled to vote the membership, unless the secretary of the Association is notified in writing of the Owner designated by his or her co-Owners as having the sole right to vote the membership on their behalf. If such notification does not occur and more than one of the co-Owners votes a membership, the majority of such votes shall be the vote pertaining to such Lot. If there is not a majority of such votes, the vote of such membership shall not be considered as either in favor of or opposed to the issue or issues which are the subject of the vote, but the membership shall be considered for purposes of determining whether the quorum requirements applicable to the vote or meeting have been met.

Section 3.4. Furnishing Evidence of Membership. A person shall not be entitled to exercise the rights of a Member until such person has advised the secretary in writing that he or she is qualified to be a Member under Section 3.1 of these Bylaws, and, if requested by the secretary, has provided the secretary with evidence of such qualification in the form of a certified copy of a recorded grant deed indicating ownership as of the applicable record date. Exercise of membership rights shall be further subject to the rules regarding record dates for notice, voting and actions by written ballot and eligibility for voting set forth in Section 5.8 of these Bylaws.

ARTICLE IV
Membership Voting

Section 4.1. Single Class of Membership. The Association shall have one class of voting membership.

Section 4.2. Member Voting Rights. On each matter submitted to a vote of the Members, whether at a membership meeting called and held pursuant to the provisions of these Bylaws or otherwise, each Member shall be entitled to cast one vote for each Lot owned by such Member. Single memberships in which two or more persons have an indivisible interest shall be voted as provided in Section 3.3 of these Bylaws.

Section 4.3. Eligibility to Vote. Only Members in good standing shall be entitled to vote at any membership meeting. A Member's good standing for purposes of voting shall be determined as of the record date established in accordance with Section 5.8 of these Bylaws. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with the Declaration.

Section 4.4. Manner of Casting Votes.

(a) Voting at Membership Meetings. Voting at any membership meeting may be by voice or by ballot; provided, however, that the vote *shall* be conducted by secret ballot when determined by the chairperson of the meeting, in his or her discretion, or when requested by 10 percent of the Members present in person at the meeting.

(b) Voting by Written Ballot. In addition to voting in person at a membership meeting, Members' votes may be solicited by written ballot with respect to any issue in accordance with Section 4.6 of these Bylaws. As more specifically provided in these Bylaws, due to the size of the Association's membership and the number of non-resident Members, all director elections shall be conducted by written ballot.

(c) Proxy Voting. Members otherwise eligible to vote at a meeting may do so in person or by proxy issued as provided in Section 4.5 of these Bylaws.

(d) Cumulative Voting. Cumulative voting shall not be permitted.

Section 4.5. Proxies.

(a) Proxies Generally. Any Member entitled to vote may do so either in person or by one or more agents authorized by a written proxy signed by the Member and filed with the secretary of the Association. Any proxy shall be for a term not to exceed 11 months from the date of issuance, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three years from the date of execution. Proxy forms shall be dated to assist in verifying their validity.

(b) Effectiveness of Proxies. Every proxy continues in full force and effect until revoked by the issuing Member prior to the vote pursuant thereto subject to the maximum term of a proxy set forth in subparagraph (a), above. Any proxy issued hereunder shall be revocable by the person executing such proxy at any time prior to the vote pursuant thereto, by: (i) delivery to the secretary of a written notice of revocation; (ii) a subsequent proxy executed by the Member executing the prior proxy and presented to the meeting; or (iii) as to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmarks contained on the envelopes in which they are mailed. A proxy shall be deemed revoked when the secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as an Owner of a Lot as provided in Article III of these Bylaws.

(c) Validity of Proxies With Respect to Certain Material Transactions. Any proxy given with respect to any of the matters described in this subparagraph (c) shall be valid only if the proxy form sets forth a general description of the nature of the matter to be voted on. The matters subject to this requirement are:

- (i) Removal of directors without cause;
- (ii) Filling of vacancies on the Board;
- (iii) Amendment of the Articles of Incorporation, these Bylaws or the Declaration;
- (iv) Action to change any Association Assessments in a manner requiring membership approval under the Declaration;
- (v) Sale, lease, exchange, transfer or other disposition of all or substantially all of the Association's assets otherwise than in the regular course of the Association's activities;
- (vi) Merger of the Association or an amendment to an agreement of merger; and
- (vii) Voluntary dissolution of the Association.

(d) Limited Proxies. Any form of proxy distributed to 10 or more Members must afford an opportunity on the proxy to specify a choice between approval or disapproval of any matter or group of related matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited. If the form of proxy lists one or more matters to be acted upon and the issuer of the proxy has specified a choice with respect to any such matter, the proxy holder shall be obligated to cast the vote represented by the proxy in accordance with the issuer's designated preference.

(e) Restriction or Elimination of Proxy Rights; Limitation on Authority. No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a Majority of a Quorum of the Members.

(f) Proxy Rules for Memberships Held by More Than One Person. Where two or more persons constitute a Member, any proxy with respect to the vote of such Member may be signed by one or more of such persons so long as no more than one proxy is issued with respect to any single membership.

Section 4.6. Action by Written Ballot Without a Meeting.

(a) Definition of Written Ballot. A "written ballot" is a ballot which is mailed or otherwise distributed to every Member entitled to vote on the matter and which complies with the requirements of this section. The term "written ballot" does not include a ballot distributed to Members at a meeting for purposes of conducting a vote of the Members at such meeting.

(b) Written Ballots, Generally. Any matter or issue requiring the vote of the Members, including the election of directors, may be submitted for vote by written ballot without the necessity of calling a membership meeting, so long as the requirements for action by written ballot set forth in this section are met. The determination to seek Member approval for Association actions in this fashion shall be made by a majority vote of the Board. Once the determination is made to seek Member approval by written ballot, the Board shall establish a record date (see Section 5.8(a)(iii) of these Bylaws) and distribute a written ballot to every Member entitled to vote on the matter. This distribution shall be made consistent with the time requirements specified in subparagraph (d), below.

(c) Content of Written Ballots.

(i) Written Ballots Used for Voting in Director Elections. Written ballots used in any election of directors shall set forth the names of all candidates. Accompanying the written ballot shall be copies of all candidate's statements received by the Association prior to June 1 of that year (see Section 7.4 of these Bylaws).

(ii) Written Ballots Used for Voting on Other Matters. Any written ballot distributed to the Members to vote on any issue other than the election of directors shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.

(iii) Specification of Time for Return of Written Ballot. All written ballots shall state the date by which the written ballot must be received in order to be counted (see subparagraph (d), below).

(d) Balloting Time Requirements. Written ballots shall be distributed to all eligible Members at least 30 days prior to the final date the written ballots must be received by the Association in order to be counted. All written ballots shall provide a reasonable time within which to return the written ballot to the Association. The time fixed for the return of written ballots may only be extended if the Board so notifies the Members on the face of the ballot or in the balloting solicitation materials originally sent to Members. The balloting in annual director elections shall be scheduled to culminate on the date of the annual membership meeting. If a Member elects to return his or her written ballot by mail or personal delivery to the address set forth in the solicitation materials for return of the ballots prior to the annual membership meeting, the written ballot must be received no later than the close of business on the second business day prior to the scheduled meeting date. If a Member elects to return his or her written ballot in person at the membership meeting, the ballot must be inserted in the ballot box prior to the conclusion of the time scheduled on the meeting agenda for receipt of ballots and conclusion of the election process.

(e) Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot shall only be valid if: (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the quorum that would have been required to be present at a membership meeting if such a meeting had been convened to vote on the proposal (see Section 5.5 of these Bylaws); and (ii) for votes on matters other than director elections, the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at such a meeting.

(f) Solicitation Rules. Written ballots shall be solicited in a manner consistent with the requirements of Section 5.4 of these Bylaws, pertaining to issuance of notices of membership meetings. All solicitations of written ballots shall indicate: (i) the number of responses needed to meet the quorum requirement for valid action; (ii) the time by which the written ballot must be received by the Association in order to be counted; (iii) with respect to ballots other than for the election of directors, the percentage of affirmative votes necessary to approve the measure; and (iv) the address for return of the written ballot in person or by mail.

(g) Additional Balloting Procedures. If deemed necessary by the Board, the written ballot shall be conducted in accordance with such additional procedures, not inconsistent with the provisions of this section, as may be prescribed by a firm of public accountants of good repute who may also be retained to supervise the secrecy and conduct of the balloting process. In order to ensure the secrecy of written ballots utilized in director elections and fairness in the conduct of the election, the Board may use the services of a public accountant, legal counsel or a bank, trust company, or similar neutral firm to receive and tabulate all written ballots (whether returned by mail or in person by Members attending that year's annual membership meeting). The firm which may be retained to perform such services shall have the full powers of an inspector of elections appointed by the Board pursuant to California Corporations Code Section 5615.

(h) Notification of Results of Balloting Process. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within 30 days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum quorum requirements, the Board shall so notify the Members.

(i) Prohibition of Revocation. Once cast, a written ballot may not be revoked.

(j) Conduct of Informational Meetings. Use of the written ballot procedures set forth herein shall not preclude the Association from also conducting informational meetings of the Members or from scheduling a meeting to coincide with the culmination of the balloting period.

Section 4.7. Majority Vote of Members Represented at Meeting Required for Valid Action. At a meeting, the affirmative vote of a Majority of a Quorum of the Members who are entitled to vote and voting on any matter (other than the election of directors) shall be the act of the Members, unless the vote of a greater number is required by the California Nonprofit Public Benefit Corporation Law or by the Governing Documents. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director positions.

ARTICLE V

Membership Meetings

Section 5.1. Place of Meetings. Membership meetings shall be held at the offices of the Association within the Properties or at such other reasonable place within the State and at such time as may be designated by the Board in the notice of the meeting.

Section 5.2. Annual Meeting. There shall be an annual membership meeting in the month of August or September of each year. The date, time and location of the meeting shall be established by the Board and set forth in the notice of meeting sent to the Members in accordance with Section 5.4 of these Bylaws.

Section 5.3. Special Meetings.

(a) Persons Entitled to Call Special Meetings. A majority of the Board, the president or 5 percent or more of the Members may call special membership meetings at any time to consider any lawful business of the Association.

(b) Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by Members other than the Board of Directors or the president, the request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by first-class, certified or registered mail or by telegraphic or other facsimile transmission to the president, any vice president, or the secretary of the Association. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote, in accordance with the provisions of Section 5.4 of these Bylaws, that a meeting will be held, and the date, time and purpose for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request.

If notice of the meeting is not given within the 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a membership meeting may be held when the meeting is called by action of the Board of Directors or the president.

Section 5.4. Notice of Membership Meetings.

(a) Requirement That Notice Be Given. Notice of all regular and special membership meetings shall be sent or otherwise given in writing to each Member who is eligible to vote at the meeting as of the record date for notice established in accordance with Section 5.8 of these Bylaws.

(b) Time Requirements for Notice. The notice of membership meetings shall be given in the manner specified in subparagraph (e) of this section, not less than 10 nor more than 90 days before the date of the meeting. If notice is given by mail and the notice is not mailed by first-class, registered, or certified mail, the notice shall be given not less than 20 days (nor more than 90 days) before the meeting.

(c) Minimum Requirements Regarding Content of Notice. The notice of any membership meeting shall specify the place, date, and hour of the meeting and: (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted; or (ii) in the case of a regular meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for such action so long as a quorum is present. The notice of any meeting at which directors are to be elected shall include the names of all those individuals who are nominees at the time the notice is given to the Members. If it is anticipated that less than one-third of the Members are likely to attend the meeting, additional notice requirements apply. See Section 5.5 of these Bylaws.

(d) Specification of Certain Significant Actions. If action is proposed to be taken at any membership meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice or consent states the general nature of the proposal(s):

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Section 7.6(e) of these Bylaws;
- (iii) Amending the Articles of Incorporation of the Association, these Bylaws or the Declaration in any manner requiring approval of the Members;
- (iv) Approving any change in the Association's Assessments in a manner requiring membership approval under the Declaration; or
- (v) Voting upon any election to voluntarily terminate and dissolve the Association.

(e) Manner of Service. Notice of any membership meeting shall be given either personally or by mail, telegraphic or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the Association's books and no other has been given, notice shall be deemed to have been given if either: (i) notice is sent to that Member by mail or telegraphic or other written communication to the Association's principal office; or (ii) notice is published at least once in a newspaper of general circulation in the County. Notice shall be deemed to have been given at the time the notice is delivered to the Member personally or deposited in the mail (postage prepaid) or sent by telegram or other means of written or electronic communication to the Member as specified above.

(f) Affidavit of Mailing. An affidavit of the mailing or other means of giving any notice of any membership meeting may be executed by the secretary or the assistant secretary of the Association, and if

so executed, shall be filed and maintained in the minute book of the Association. Such affidavit shall constitute prima facie evidence that proper notice was given.

Section 5.5. Quorum Requirements.

(a) Quorum Requirements Generally. The following quorum requirements must be satisfied in order to take valid action at any membership meeting or by written ballot in accordance with Section 4.6 of these Bylaws:

(i) Quorum for Votes on Assessment Increases. In the case of any membership meeting or written ballot called or conducted for the purpose of voting on assessment increases requiring membership approval (see Article IV of the Declaration), the quorum requirement for valid action on the proposal shall be the percentage specified in California Civil Code Section 5605 or comparable successor statute. That quorum percentage is currently a majority of the Members.

(ii) Quorum for Votes on Director Elections. In the case of any written ballot conducted for the purpose of electing directors, the quorum requirement for valid action shall be 5 percent of the Members eligible to cast a written ballot.

(iii) Quorum for Valid Action on Other Matters. In the case of a membership meeting or written ballot called or conducted for any other purpose, the quorum shall be 25 percent of the Members eligible to vote, represented in person at the meeting or casting a written ballot; provided, however, that if any regular membership meeting is actually attended, in person, by less than one-third of the Voting Power of the Association (but a quorum is present), the only matters upon which action may validly be taken are those matters the general nature of which were described in the notice of the meeting.

(b) Members Represented By Proxy. Members present at a membership meeting in person or by proxy shall be counted towards satisfaction of the quorum requirements specified herein.

(c) Effect of Departure of Members From Meeting. The Members present in person at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, so long as any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. If a quorum is never established for the meeting, a majority of those Members who are present may vote to adjourn the meeting for lack of a quorum, but no other action may be taken or business transacted.

Section 5.6. Adjourned Meeting.

(a) Adjournment, Generally. Any membership meeting, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days) by the vote of the majority of Members present at the meeting. Unless there is an absence of a quorum (in which case no business other than adjournment may be transacted), the reconvened meeting may take any action which might have been transacted at the original meeting.

(b) Notice Requirements for Reconvened Meetings. When a membership meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

