

# ST. SAVA MISSION FOUNDATION

## PREAMBLE

In pursuing the objectives the voluntary associated Serbian peoples who formed this non-profit corporation, under Part One, Division Two, Title One, of the California Corporation Code, to encourage cooperation among themselves and to promote and to perpetuate the general welfare of the people, their customs, traditions and heritage, and also mindful of their duty to preserve and promote a better understanding among themselves and the people of this country and also mindful of the temporal requirements of maintaining suitable places for education and suitable facilities for care and well-being of the senior citizens, aged and infirm; to promote these noble causes, do hereby publish the following as the Constitution and By-Laws of the St. Sava Mission, a non-profit corporation, which shall constitute the governing provisions subject only to amendment by corporate annual or special meetings.

## CONSTITUTION AND BY-LAWS OF ST. SAVA MISSION FOUNDATION

### A NON-PROFIT CORPORATION

#### ARTICLE I

1. Name – The name of the organization shall be the St. Sava Mission Foundation, Inc. (prior to September 1, 2007, known as St. Sava Mission Corporation).

Place of Business – Jackson, Amador County, California

#### ARTICLE II

1. Purpose – The purpose of the St. Sava Mission Foundation shall be to preserve and promote the educational, charitable, cultural, community and other institutions of people of Serbian heritage, and to promote, conduct and maintain activities commensurate and consistent with the ideals, values and teachings of the Serbian heritage.

#### ARTICLE III

1. Objectives – The objectives of the St. Sava Mission Foundation shall be to provide facilities for:

Summer camp for children and youth

Senior citizens home for the aged and infirm

Cultural and educational purposes

Recreation and fellowship

Other allied and related needs

#### ARTICLE IV

1. Corporate Powers – This corporation shall have the power, in addition to those powers granted it by the laws of the State of its organization, to purchase, take, receive, lease and lessee, or to take by gift, devise or bequest, or otherwise acquire and to own, hold, use and otherwise deal with any real and personal property along with the power to sell, convey, mortgage, pledge lease as lessor, and otherwise dispose of any or all of any property or assets owned by the corporation. Additionally the corporation has the power to sue or be sued, elect and appoint officers, make donations in furtherance of any of its purposes as determined by its membership or in accordance with the By-Laws.

## ARTICLE V

1. Membership – The membership in this organization shall be of general type:
  - 1.1 Individual
    - 1.1.1 Member
    - 1.1.2 Senior Citizen Member
  
2. Individual Membership – Any person obtaining 18 years of age, residing in the corporate region, and who supports, endorses and subscribes to the existence, purpose, objectives, goals and aims of this non-profit corporation qualifies as an eligible applicant for full membership in this corporation. Senior Citizen Members shall be those persons eligible for membership obtaining 75 years of age.
  
3. Application for Membership
  - 3.1 Any person eligible for membership seeking membership in this corporation must make application therefore in writing, on a form set forth by the Board of Directors, to the Secretary of the corporation and said application must be accompanied by the written endorsement and a recommendation of at least two voting Members-In-Good-Standing of the corporation.
  - 3.2 Each application for membership shall be submitted to the existing general membership and voted upon for approval at an annual meeting. All such applications for membership must be submitted to the Secretary at least thirty (30) days before an annual meeting and said motions for approval of each individual application for membership must be carried by a vote of at least two-thirds of the members present and voting at any such meeting. Any person accepted for membership at a regular annual meeting is not eligible to vote on any resolutions or matters coming before that annual meeting or any convened, reconvened, or adjourned sessions thereof, but shall be eligible to vote, for the first time at the following annual meeting.
  
4. Fees and Dues – The membership of the corporation may, by resolution, establish a reasonable new member initiation fee and annual dues for all members.
  - 4.1 Initiation Fee – Shall be twenty-five dollars (US\$25), and shall include membership dues for the first year of membership.
  - 4.2 Annual Dues
    - 4.2.1 Member - Shall be twenty-five dollars (US\$25).
    - 4.2.2 Senior Citizen Member – Shall be zero dollars (US\$0).
  
5. Voting Rights
  - 5.1 Member-In-Good-Standing. Each individual member of the corporation who is current and not delinquent in payment of their required membership dues and who has otherwise not been removed from corporation membership shall be a corporation voting Member-In-Good-Standing, and shall have one vote upon any resolution or matter coming before a general meeting of the membership, and said vote must be cast in person by the member possessing said vote.
  - 5.2 Proxy Voting. No member may cast any vote upon any resolution or matter before the general membership by means of a proxy, power of attorney, or similar device, except on matters deemed necessary by a two-thirds majority vote of the Board of Directors soliciting their vote on particular resolutions to be considered by the general membership, except as may be otherwise determined as per paragraph 5.3 below.

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ARTICLE V (continued)

5.3 Written Voting By Mail.

- 5.3.1 Ill Health or Physical Incapacity. Any member prevented from attending a general meeting of the membership by reason of ill health or physical incapacity may cast a vote in writing when accompanied by the certificate of a physician attesting to the ill health or physical incapacity of the member to attend the meeting. Said votes to be submitted in writing to the Secretary.
- 5.3.2 Written Election Ballots. As deemed necessary by a two-thirds majority vote of the Board of Directors, where time-sensitive decisions require general membership approval and conducting a general meeting of the membership is not feasible or practical, Written Election Ballots shall be mailed to each corporation voting Member-In-Good-Standing soliciting their roll-call vote on particular resolution to be considered and determined, subject to the following requirements:
- 5.3.2.1 A temporary Written Election Ballot Tabulation Board, composed of at least four (4) sitting Members of the Board of Directors and three (3) sitting Members of the Audit Committee, shall be seated to conduct each specific resolution Written Election Ballot. So that Members may consider all points of views and opinions on the specific resolution to be voted upon, at least thirty (30) days prior to the mailing of the Written Election Ballots, this temporary Written Election Ballot Tabulation Board shall seek in writing Member written opinions on the resolution to be considered, and include all submitted written opinions along with the mailed Written Election Ballots.
- 5.3.2.2 To confirm that Written Election Ballots are completed by qualified corporation voting Members-In-Good-Standing, signatures thereon of said Member shall be physically witnessed and co-signed by either a Notary Public, or a sitting Member of the corporation Board of Directors or Audit Committee.
- 5.3.2.3 Within twenty-one (21) days of receipt, Member-completed Written Election Ballots shall be mailed to the corporation Secretary at the corporation's offices, and upon receipt thereof the Secretary shall immediately mail receipt confirmations to each voting Member who returned a Completed Written Election Ballot by the deadline.
- 5.3.3.4 The temporary Written Election Ballot Tabulation Board shall count and tabulate the received Written Election Ballots, prepare a Vote Count Result report thereof, and submit it in writing to the Board of Directors and the Audit Committee. Each individual Member of the Board of Directors and the Audit Committee shall have the right to physically review the received Written Election Ballots and the Vote Count Result report for accuracy and completion.
- 5.3.3.5 The results of the Written Election Ballot shall become officially approved and accepted as a legal corporate action if the Audit Committee, by simple majority vote, validates the accuracy of the Vote Count Result tabulation and report. Thereafter, the Secretary shall send the written Vote Count Result report to all voting Members-In-Good-Standing, informing them of the outcome of the Written Election Ballot.
- 5.3.3.6 Written Election Ballots shall not be permitted in any circumstance for any amendments of the requirements in Article IX regarding Dissolution of the Corporation; Distribution, Disposition and/or Sales of Corporation Assets; and Donation and/or Gift of Corporation Property.

## ARTICLE VI

1. Meetings – The membership and Board of Directors shall hold an annual meeting during the month of June or July on a date during that month determined by the Board of Directors.

A special meeting or emergency meeting of the general membership may be called by the Board of Directors upon their majority vote. Notice to the members shall be given in writing at least two (2) weeks in advance of said meeting.

2. Annual Meeting

- 2.1 First Annual Meeting Under 1974 Constitution. The first annual meeting of the corporation and the members shall be held on July 6, 1974, at which time this constitution shall be submitted hereto for its approval and, until said date, the persons organizing the corporation shall act as its officers and directors. Said persons shall cease to act as officers and directors upon the election of the new officers pursuant to the terms of this constitution. Persons designated members herein shall accept or reject membership in writing on or before said meeting.

- 2.2 Special Meeting By Membership Petition. Except for the annual meeting to be held, as mentioned above, special meetings of the general membership of this corporation may be called upon the presentation of a petition signed by more than 25% of the membership of the corporation submitted to the Board of Directors. The Board of Directors shall be obliged to publish a call, schedule and conduct a meeting of the general membership of the corporation of any such petition for a general member meeting.

- 2.3 Annual Meeting Frequency. The general membership may at a general meeting, provide for regular membership meetings as it sees fit on a more frequent basis than the one annual meeting required by law. In no event may the general membership provide for any less than one annual meeting of the corporation membership.

- 2.4 Robert's Rules of Order. All meetings of the corporation shall be conducted in accordance with the provisions of Robert's Rules of Order, with the exception of any provisions thereof that permit or allow temporary or permanent suspension of any By-Laws of the corporation.

- 2.5 Rights of Decision. In all matters coming before the general membership or the Board of Directors, except as otherwise set forth in these By-Laws, the vote of a simple majority, if a quorum present, may decide the issues, and such matters shall be guided solely by the discretion and judgment of the membership or the Board of Directors as the case may be and are without any right of review, veto, approval or power of change within any other body. The general membership and Board of Directors are to be the sole judges of the acts of the corporation and the uses and disposition of its properties and assets.

The corporation independently governs and freely handles its property, funds and gifts and its governing bodies may independently decide the disposition of any of its property and may independently exercise control over its income and disbursements. All property of the corporation shall only serve the aims of the corporation, as determined aforesaid.

3. Quorum – A quorum of the general membership is necessary in order to transact any business at a general membership meeting. A quorum shall be composed of 33-1/3 or more of then valid, acting Members-In-Good-Standing of the corporation. All matters to be considered and decided at a meeting at which a quorum is present must be approved by at least a simple majority vote of those present and voting, except as otherwise set forth in these By-Laws.

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## ARTICLE VII

1. Board of Directors
  - 1.1 Composition - The Board of Directors shall be composed of nine (9) persons, and shall be those corporation voting Members-In-Good-Standing elected by the general membership to the offices of President, Vice President of Programs, Vice President of Communications, Secretary, Treasurer, and Membership Secretary, as well as three (3) members-at-large.
    - 1.1.1 Only members who have been corporation voting Members-In-Good-Standing for at least twelve consecutive calendar months prior to their election to the Board may serve as Board of Directors members.
    - 1.1.2 Three members shall be elected annually. Those members to be voted on at the first annual meeting shall be chosen by lot. Those to be voted on at the second annual meeting shall be chosen by lot and thereafter those who have not yet stood for election shall be chosen. Thereafter at each annual meeting the three directors to be voted on shall be those who have been in office the longest since the last annual meeting without having been voted on.
  - 1.2 Vacancy - Vacancies of any office or membership of the Board of Directors shall be filled by a corporation voting Member-In-Good-Standing, appointed by a majority vote of the remaining Board of Directors. If a majority of the membership of the Board of Directors becomes appointed at any time during the period between two consecutive annual meetings, a special meeting of the general membership shall immediately be held so that the entire membership may nominate and elect the Board members as set forth in Article VII, paragraph 1.3, below.
  - 1.3 Appointment - Any person appointed to fill a vacancy by the Board of Directors shall occupy and serve that position until the next annual or special quorum-possessing general membership meeting at which time said appointment shall be approved by majority vote of the attending general membership. If approved, the appointee Board Member shall occupy and serve that position for the time remaining in the vacant three calendar year term of office to which they were appointed. If not approved, another qualified corporation voting Member-in-Good-Standing shall be immediately appointed, and approved and accepted as set forth herein.
  - 1.4 Term Limits - No member of the Board of Directors may be elected for more than two (2) successive three (3) calendar year terms of office. At the end of their second successive term of elected office they will not be eligible for re-election for one (1) calendar year. No member of the Board of Directors, by combining an Appointment term of office plus successive elected terms of office, may serve for more than nine (9) consecutive calendar years, after which they will not be eligible for re-election for one (1) calendar year.
  - 1.5 Constituting Officers - The Board of Directors shall constitute themselves as Officers of the corporation, selecting among themselves by simple majority vote and at their sole discretion who shall serve in each Officer position.
2. Officers and Duties – The Officers of the corporation shall be elected for two-year terms and each shall be a member of the Board of Directors in addition to the Office designated below. The duties of the Officers are:
  - 2.1 President – Shall preside at all meetings of the corporation, appoint all special committees and supervise work of any committees, shall write and present an Annual Report to the membership at each Annual Meeting, schedule and conduct at least one Board of Directors meetings during each calendar quarter, and shall coordinate and supervise the work of the other Officers. Shall be the Chairman of the Board of Directors and call meetings as required. Shall serve, with the Secretary, as one of the corporation’s legal representatives.
  - 2.2 Vice Presidents
    - 2.2.1 Vice President of Programs. Shall be responsible for, coordinate, and manage the Programs and event functions and resources of the corporation, and write and present an Annual Programs Report to the membership at each Annual Meeting. Shall perform the duties of the President in his/her temporary absence and other duties as may arise, and as he/she may be directed by the membership or the President. Shall supervise the work of special committees as designated by the President or the Board of Directors.

ARTICLE VII – Officers and Duties (continued)

- 2.2.2 Vice President of Communications. Shall be responsible for, coordinate, and manage the marketing, communications and public relations functions and resources of the corporation, and write and present an Annual Marketing/Communications Report to the membership at each Annual Meeting. Shall perform the duties of the President in the event of the temporary concurrent absence of both the President and the Vice President of Programs, and other duties as may arise, and as he/she may be directed by the membership or the President. Shall supervise the work of special committees as designated by the President or the Board of Directors.
- 2.3 Secretary - Shall keep minutes of all meetings and distribute same to Board of Directors in a timely manner thereafter, shall advise the President and Board of Directors of past actions of the corporation; safely maintain complete and comprehensive documentation of corporation legal and corporate governance records and files, easy access thereto, and required legal and regulatory compliance thereof; conduct all correspondence on behalf of the corporation, and execute such documents as are required by law and/or corporate Resolution. Shall serve, with the President, as one of the corporation's legal representatives.
- 2.4 Treasurer – Shall manage the assets and liabilities of the corporation; safely maintain complete and comprehensive documentation of corporation accounting management and financial governance records and files, easy access thereto, and required legal and regulatory compliance thereof; shall implement and administer an automated accounting system and provide prompt access thereto to other Board members; shall be responsible for collection and documentation of all dues, income, gifts or other receipts, and deposit thereof into corporation bank accounts; shall write and present an Annual Financial Report (reporting on income and expenses, assets and liabilities status, and other material financial issues) to the membership at each Annual Meeting; shall report financial condition to the Board of Directors on at least a calendar quarter-end basis, or more frequently as requested. Shall open appropriate bank accounts as and when authorized by corporate Resolution, make deposits thereto, as well as disbursements of the corporate funds when directed by the Board of Directors or authorized by corporate Resolution.
- 2.5 Membership Secretary – Shall maintain a current list of the corporation membership and shall assist the Treasurer in the collection of any funds and properties or inventories of assets owned by the corporation. Shall send annual dues payment notices to members at least sixty (60) calendar days prior to each annual meeting. Shall write and present an Annual Membership Report (reporting number of corporation Members-In-Good Standing, delinquent members, and new membership applications received) to the membership at each Annual Meeting.
- 2.6 Orderly Transition - All Officers and members of the Board of Directors are to serve until their successor is elected and assumes the duties of the Office, and are obligated to promptly and completely transfer all corporation information, documents, records, files, forms, reports, statements, e-mails, software/website and banking system passwords, and all other information needed for successor Officers and Directors to successfully fulfill their responsibilities.
- 2.7 Vacancy of the Presidency – In the event of the President's long-term health-related incapacity (as determined in writing by an independent third-party medical doctor) to perform the responsibilities of the Office, or failure to schedule and conduct at least one quorum-possessing Board of Directors meeting during each calendar quarter, or material failure to fulfill the responsibilities of the Office as determined by a two-thirds majority vote of the Board of Directors, or resignation, or death, the Office of the President shall be vacated. Immediately upon such vacancy, the Vice President of Programs shall become Acting President, and shall immediately call a Board of Directors Meeting, and a quorum of the Board of Directors shall meet therefore no later than four (4) calendar weeks after said call, solely for the purpose to
- (continued)

## ARTICLE VII – Officers and Duties

- 2.7 (continued) select by simple majority vote a new President and to fill any remaining Officer vacancy. Immediately thereafter, the Secretary shall send a written notice to all corporation members notifying them of the action of the Board to reconstitute itself with a new President and other Officers. If the Acting President does not call said meeting within three (3) calendar days following vacancy of the Office of the President, any Board Member may call the meeting, and it shall be conducted as set forth herein.
- 2.8 Vacancy of Other Officer Position – In the event of an Officer’s (other than the President) long-term health-related incapacity (as determined in writing by an independent third-party medical doctor) to perform the responsibilities of the Office, or material failure to fulfill the responsibilities of the Office as determined by a two-thirds majority vote of the Board of Directors, or resignation, or death, said Office shall be vacated. By two-thirds majority vote, the Board of Directors shall then immediately select a replacement for the vacated Officer position.
3. Quorum – A quorum of the Board of Directors shall be composed of six (6) members meeting in person and/or remotely via telephone conference. All matters pending before the Board of Directors must be approved by at least a simple majority of those present and voting.
4. Meeting
- 4.1 The meeting of the Board of Directors shall be held at least once per calendar quarter and other-wise from time to time as called by the President or upon notice from a simple majority of the Directors to the balance of the Directors. Said call or notice shall be given at least ten (10) calendar days in advance of any meeting of the Board of Directors if it is a special meeting other than the regular meeting of the Board of Directors designated by the Board. If all members of the Board unanimously consent in writing a meeting of the Board of Directors may be held without notice.
- 4.2 The Board of Directors shall only be able to transact official business at their meeting if that meeting possesses a quorum. Board meetings may be conducted in person and/or via remote telephone conference. The Board of Directors shall report in writing at each annual meeting all meetings to the general membership and shall submit to the general membership such matters as come before the Board of Directors that it deems necessary, for decision by the full general membership.
5. Audit Committee – The Audit Committee of the corporation shall be established to provide oversight and review of corporation corporate governance, legal, financial, accounting and fiduciary processes, policies, procedures and actions.
- 5.1 Responsibilities. The specific responsibilities of the Audit Committee shall be:
- 5.1.1 Meet once per quarter to conduct three calendar fiscal quarter-ending, and one fiscal year-ending, review of the financial statements of the corporation, and the underlying bank/investment account statements and accounting records and journals thereof;
- 5.1.2 To conduct a fiscal year-ending review and assessment of the administration, storage and maintenance of the corporation’s legal, financial, tax, corporate governance, and membership records and archives;
- 5.1.3 To review and assess the Annual Financial Report prepared by the Treasurer, and the Annual Membership Report prepared by the Membership Secretary, prior to the annual meeting where they shall be presented, review and assess the underlying bank/investment account, accounting, membership and financial records of the corporation that provide the basis for said Annual Financial and Membership Reports;
- 5.1.4 To write and present to the membership at each Annual Meeting an Audit Committee Report reporting and assessing their findings on items 5.1.1, 5.1.2, and 5.1.3 above;

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ARTICLE VII – Audit Committee (continued)

- 5.1.5 To review the actions of corporation Officers to ensure that their actions on behalf of the corporation are legal, in compliance with applicable government regulations, in compliance with Generally Accepted Accounting Principles, in compliance with the corporation's legally-binding contracts and agreements if any, in compliance with the Purpose and Objectives of the corporation as set forth in the Constitution and By-Laws, in compliance with the Constitution and By-Laws of the corporation, and are conducted with the highest standard of ethics and responsibility;
  - 5.1.6 To approve by majority vote any Dissolution of the Corporation, or Distribution, Disposition and/or Sales of Corporation Assets;
  - 5.1.7 To arbitrate and adjudicate any irreconcilable disputes within the Board of Directors, if any; and
  - 5.1.8 To immediately report breaches hereof, in writing, to the Board of Directors, to the general membership, and if deemed necessary, to public legal and/or criminal authorities.
- 5.2 Composition. The Audit Committee shall be composed of five (5) corporation voting Members-In-Good-Standing. Audit Committee Members shall be elected by a majority vote of Members-In-Good-Standing at a quorum-possessing annual or special general membership meeting. If an Audit Committee seat is or becomes vacant, vacancies of the Audit Committee shall be filled by a corporation voting Member-In-Good-Standing, appointed by simple majority vote of the Board of Directors. Any person appointed to fill a vacancy by the Board of Directors shall occupy that position until the next annual or special general membership meeting at which time said office shall be filled upon the nomination and election by the general membership.
- 5.3 Term. Except for the terms of the first-seated Audit Committee, the term of an Audit Committee member shall be five (5) calendar years. There shall be no re-election at the end of the term. At the end of the five-year calendar term, the Audit Committee member whose term has expired shall not be eligible for re-election for one (1) calendar year. Members of the Board of Directors whose term therein has expired shall not be eligible for election to the Audit Committee for one (1) calendar year following the end of their Board of Directors term.
- 5.4 For the first-seated Audit Committee, the Members thereof shall select by random lot which one among them shall have a one-year term, which one among them shall have a two-year term, which one among them shall have a three-year term, which one among them shall have a four-year term, and which one among them shall have the normal five-year term.
- 5.5 Following each Annual Meeting of the general membership, the Audit Committee shall constitute themselves, select among themselves two Co-Chairpersons of the Audit Committee, and notify each member of the Board of Directors in writing of the names and contact information of the Co-Chairpersons and Members of the Audit Committee.
6. Standing Committees of The Board of Directors
- 6.1 Responsibilities. To speed and enhance the management and communication process required for the corporation's fund-raising efforts and construction and development projects, the following Standing sub-Committees of the Board of Directors shall be permanently established:
- 6.1.1 Finance Committee: financial/accounting management and corporate governance;
  - 6.1.2 Property Management/Co-Tenancy Operations: day-to-day coordination and communication with Jackson, California, co-Tenant-In-Common, and management and administration of the real property of the corporation;
  - 6.1.3 Senior Village Project: design, development and implementation, and ongoing administration and management thereof; and
  - 6.1.4 Communications: management of web site, marketing, public relations, and other related initiatives.

ARTICLE VII – Standing Committees of The Board of Directors (continued)

- 6.2 Composition. Each of these four Board sub-Committees shall be chaired by a then-current Board of Directors Member, and shall include participation and involvement from the individuals of the general Membership. The President of the corporation shall sit as an ex-officio member of each Board sub-Committee.
- 6.3 Advisory Role. These Board sub-Committees shall have no decision-making authority, which shall remain with the Board of Directors and the general membership, but shall be devoted to gathering information, speeding communication, and making recommendations and advisories to the Board on pending initiatives, projects, and decisions.
7. Oath of Office – Newly elected and appointed Members of the Board of Directors, Audit Committee, and Standing Committees of the Board of Directors shall, upon their election or appointment, stand and state the following oath of office: “I do solemnly swear that I will faithfully perform the responsibilities of my office, protect and carry-out our Constitution and By-Laws, and preserve the legacy and advance the purpose and objectives of the St. Sava Mission Foundation (, so help me God).” The Oath shall be jointly administered by the eldest and youngest corporation Members in attendance.

ARTICLE VIII

1. Amendment – The Constitution and these By-Laws may be amended by a two-thirds majority vote of the corporation voting Members-In-Good-Standing present and voting at a quorum-possessing annual or special general membership meeting; however, the requirements in Article IX regarding Dissolution of the Corporation; Distribution, Disposition and/or Sales of Corporation Assets; and Donation and/or Gift of Corporation Property, may only be amended only upon a vote of 75% (seventy-five percent) of existing total corporation voting Members-In-Good-Standing. The Board of Directors may recommend amendments but may not pass amendments. Proposed amendments to the Constitution and By-Laws must be made public to corporation members at least thirty (30) calendar days prior to the meeting date at which proposed amendments shall be voted.

ARTICLE IX

1. Dissolution of the Corporation
  - 1.1 In the event of and only upon (1) a roll-call vote of 75% (seventy-five percent) of the existing total corporation voting Members-In-Good-Standing as reflected by the current membership rolls, and (2) a two-thirds majority roll-call vote of the entire nine-member Board of Directors, and (3) a simple majority roll-call vote of the entire five-member corporation Audit Committee, the members of this corporation decide to dissolve and liquidate the corporation, all property, both real and personal, shall be disposed of by donation of the funds received from any sales thereof to a like similar United States-based Serbian lay foundation, corporation or group having closely similar community development, cultural and charitable purposes and objectives benefiting the lay community of people of Serbian heritage in the Western United States region, subject to the prior preparation, review and approval of a written Corporation Asset Distribution Plan, as determined by the Board of Directors. In no event, shall any of the assets, income or property of this corporation inure to the individual benefit of any member(s) or persons.
  - 1.2 The right to dissolve, dispose or alienate any of its property, both real and personal, shall be exclusively that of the membership of the corporation, as set forth herein, exercised at a duly called meeting of the membership. The intent of this paragraph is that in case the corporation is to dissolve assets, income and real property be given to a similar Serbian organization.

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ARTICLE IX (continued)

2. Distribution, Disposition and/or Sales of Corporation Assets

2.1 The corporation shall only distribute, sell, lease, trade, hypothecate, provide as security, or otherwise lose ownership or possession (“Corporation Asset Distribution”) of any of its real, personal or other assets and/or property or direct or indirect rights thereto (“Corporation Assets”) for payment or consideration therefor only upon all of the following conditions:

2.1.1 Authorization. Authorization by a roll-call vote of (1) 51% (fifty-one percent) of the existing total corporation voting Members-In-Good-Standing as reflected by the current membership rolls, and (2) a simple majority roll-call vote of the entire nine-member Board of Directors, and (3) a simple majority roll-call vote of the entire five-member corporation Audit Committee, subject to the prior preparation, review and approval of a written Corporation Asset Distribution Plan, as determined by the Board of Directors;

2.1.2 Market Value. Only at or above Market-Value prices; “Market Value” is defined as the then current public sale or transaction value of the “Corporation Assets” in question as determined by three (3) separate independent market-based appraisals on comparable assets; and

2.1.3 Consideration. Only for consideration or payment with funds, assets or rights of equal or higher liquidity and stable value.

3. Donation and/or Gift of Corporation Real Property

3.1 The corporation shall only give, donate, grant, dispose, cede, abandon, quitclaim, or otherwise transfer ownership or possession (“Corporation Real Property Donation”) of any of its real property or direct or indirect rights thereto (“Corporation Real Property”) without payment or consideration therefor only upon all of the following conditions:

3.1.1 Authorization. Authorization by a roll-call vote of (1) 75% (seventy-five percent) of the existing total corporation voting Members-In-Good-Standing as reflected by the current membership rolls, and (2) a two-thirds majority roll-call vote of the entire nine-member Board of Directors, and (3) a simple majority roll-call vote of the entire five-member corporation Audit Committee, subject to the prior preparation, review and approval of a written Corporation Asset Distribution Plan, as determined by the Board of Directors; and

3.1.2 Recipient. Only to a similar United States-based Serbian lay foundation, corporation or group having closely similar community development, cultural and charitable purposes and objectives benefiting the lay community of people of Serbian heritage in the Western United States region.

4. Donation and/or Gift of Corporation Funds or Personal Property

4.1 The corporation shall only give, donate, grant, or otherwise transfer ownership or possession (“Corporation Fund Donation”) of any of its funds or personal (not real or real estate) property or direct or indirect rights thereto (“Corporation Assets”) without payment or consideration therefor only upon all of the following conditions:

4.1.1 Corporation Fund Donations totaling US\$5,000 or less per calendar year to a single recipient shall be approved and authorized by a simple majority vote of the Board of Directors, without vote by the membership unless specifically prohibited by a resolution of the general membership.

4.1.2 Corporation Fund Donations totaling greater than US\$5,000 per calendar year to a single recipient shall be approved and authorized by a simple majority vote of the Board of Directors and a simple majority of corporation voting Members-In-Good-Standing present and voting at a quorum-possessioning annual or special general membership meeting.

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ARTICLE IX - Donation and/or Gift of Corporation Funds or Personal Property (continued)

- 4.1.3 Corporation Fund Donations totaling over time greater than ten percent (10%) of the corporation's Total Assets (as reported in the most current federal tax returns of the corporation), to one or more legally-related recipient(s) (including but not limited to subsidiaries, affiliates, partners, co-owners, co-tenants, tenants-in-common, successors, heirs, assignees, receivers, custodians, trustees, liquidators, same or common governance or ownership of separate legal entities) shall be approved only upon all of the following:
- 4.1.3.1 Authorization. Authorization by a roll-call vote of (1) 75% (seventy-five percent) of the existing total corporation voting Members-In-Good-Standing as reflected by the current membership rolls, and (2) a two-thirds majority roll-call vote of the entire nine-member Board of Directors, and (3) a simple majority roll-call vote of the entire five-member corporation Audit Committee, subject to the prior preparation, review and approval of a written Corporation Asset Distribution Plan, as determined by the Board of Directors; and
- 4.1.3.2 Recipient. Only to a similar United States-based Serbian lay foundation, corporation or group having closely similar community development, cultural and charitable purposes and objectives benefiting the lay community of people of Serbian heritage in the Western United States region.
- 4.1.4 Special Donation Programs
- 4.1.4.1 In order to effect the intent of the corporation's Objectives and Long-Range Plans, the Board of Directors may from time-to-time create certain Special Donation Programs, to include written description of alignment to corporation Objectives, the budgeted amount of corporation funds to be designated towards thereto, descriptions of intended recipients and qualifications thereof, rules for determination of recipients and amounts to be donated thereto, and other information that is required by corporation general membership.
- 4.1.4.2 Special Donation Program written descriptions shall be presented to corporation general membership for approval in the same manner as required for consideration and approval of amendments to these By-Laws. Special Donation Programs shall be voted on and approved and authorized by a simple majority vote of the Board of Directors and a simple majority of corporation voting Members-In-Good-Standing present and voting at a quorum-possessing annual or special general membership meeting.

5. Written Corporation Asset Distribution Plan

- 5.1 Any Corporation Asset Distribution Plan determined by the Board of Directors as required by this Article IX, shall be based upon the following conditions:
- 5.1.1 A Corporation Asset Distribution Plan may only be submitted by a member who has been a corporation voting Member-In-Good-Standing for at least twelve consecutive calendar months prior to their submission of the Plan.
- 5.1.2 No Corporation Asset Distribution Plan that conflicts with or contradicts applicable laws or regulations, or the purpose and objectives of the Foundation, shall be accepted or considered.
- 5.1.3 Any Corporation Asset Distribution Plan submitted must explicitly and clearly specify:
- 5.1.3.1 the asset(s), and the market-value thereof, to be subject to the Distribution;
- 5.1.3.2 the Intended Recipient Organization(s) of the Distributed Asset(s), and their leadership;
- 5.1.3.3 the proposed use of the Distributed Asset(s) by the Intended Recipient Organization(s);

## ARTICLE IX - Written Corporation Asset Distribution Plan (continued)

- 5.1.3.4 detailed explanation of the Intended Recipient Organization’s qualifications (including experience, knowledge, expertise, competence, capacity, and governance) in the construction, development and ongoing management of children’s camps; senior citizens homes; museum, library and cultural centers; youth development and scholarship programs; sports complex facilities; and other stated objectives of the Foundation;
  - 5.1.3.5 the timeframes and schedules, financial transaction descriptions, financial forecasts, and proposed performance guarantees therefor, for the Intended Recipient Organization’s utilization of the Distributed Asset(s); and
  - 5.1.3.6 three (3) immediate past years of federal tax returns and audited financial statements.
- 5.1.4 Any Corporation Asset Distribution Plan submitted must be typewritten, printed, bound, and fifteen (15) copies submitted to the corporation Secretary at the corporation address.
- 5.1.5 Any Corporation Asset Distribution Plan submitted shall be reviewed by the Board of Directors, and by the Audit Committee, using industry standard evaluation and appraisal criteria, and validation methods, to assess the information and qualifications provided therein. The certainty of timely and complete fulfillment of the Foundation’s objectives, and the qualifications therefor and financial strength of the Intended Recipient Organization, shall be the primary assessment criteria.
- 5.1.6 If determined by a two-thirds majority roll-call vote of the entire nine-member Board of Directors, and a simple majority roll-call vote of the entire five-member corporation Audit Committee, that the submitted Corporation Asset Distribution Plan fulfills the qualifications set forth herein, said Plan will be submitted to corporation Members-In-Good-Standing for consideration at a future annual membership meeting.
- 5.1.7 If either by a less than two-thirds majority roll-call vote of the entire nine-member Board of Directors, or a simple majority roll-call vote of the entire five-member corporation Audit Committee that the submitted Corporation Asset Distribution Plan fails to meet the qualifications set forth herein, said Plan will be rejected and returned to the Plan submitter with comments.
- 5.1.8 At the annual meeting, vote for approval of any Corporation Asset Distribution Plan shall be subject to the voting requirements of the specific relevant Article IX paragraph(s) herein.

## ARTICLE X

### 1. Fiduciary and Financial Management Policies

- 1.1 Corporate Governance. The corporation is a fiduciary steward of donated and charitable assets, investing and prudently managing assets and liabilities and maintaining accurate financial records. Because good corporate governance has a beneficial impact on achievement of the corporation’s purpose and objectives, as well as on members of the corporation and the community of people of Serbian heritage, the corporation will support resolutions aimed at corporate adherence to generally-accepted best practices and minimum standards of governance, including transparency, accountability, and board independence.
- 1.2 Member Role and Responsibilities. Members of the corporation shall receive no compensation other than reasonable reimbursable expenses, as per the established policy. No loans shall be made by the corporation to any Member of the corporation.

(continued)

ARTICLE X - Fiduciary and Financial Management Policies (continued)

- 1.3 Board of Directors Role and Responsibilities. The management of all the affairs, property, and interests of the corporation shall be vested in the Board of Directors. The Board of Directors shall be responsible for overall policy and direction of the corporation and delegates responsibility for day-to-day operations to the corporation's Executive Director and Committees, if any. Members of the Board of Directors shall receive no compensation other than reasonable reimbursable expenses, as per the established policy. No loans shall be made by the corporation to any Member of the Board of Directors.
- 1.4 Audit Committee and Standing Committees of the Board of Directors Role and Responsibilities. The responsibilities of the Audit Committee are as set forth in Article VII, paragraph 5. The responsibilities of the Standing Committees of the Board of Directors are as set forth in Article VII, paragraph 6. Members of the Audit Committee and Standing Committees of the Board of Directors shall receive no compensation other than reasonable reimbursable expenses, as per the established policy. No loans shall be made by the corporation to any Member of Audit Committee and Standing Committees of the Board of Directors.
- 1.5 Finance Committee of the Board of Directors Role and Responsibilities. The Treasurer is chair of the Finance Committee. The Finance Committee is responsible for developing and reviewing financial management procedures, a year-to-year fundraising plan, and an annual budget.
- 1.6 Fiscal Year. The fiscal year of the corporation shall commence on May 1 of each calendar year, and end on April 30 of each immediately following calendar year.
- 1.7 Books and Records.
  - 1.7.1 The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its directors, giving the names and addresses of all directors.
  - 1.7.2 The financial records of the corporation are public information and shall be made available upon written request to Secretary of the corporation at corporation's address, to corporation Members-In-Good-Standing, members of the Board of Directors and the Audit Committee, and the public subject to simple majority approval of the Board of Directors.
- 1.8 Ownership. In all cases without exception, the assets and liabilities of the corporation shall be held solely in the name and federal tax identification number of the corporation, with the corporation President, Secretary, and Treasurer acting as authorized representative non-owner signatories therefor.
- 1.9 Annual Budget. The Board of Directors must approve by two-thirds majority each fiscal year's annual budget. Any material changes in an annual budget must be approved by the Board of Directors.
- 1.10 Depositories. The cash and securities assets of the corporation shall be deposited solely in the name and federal tax identification number of the corporation in such federal deposit-insured bank(s), savings bank(s), credit union(s), or trust company(s) as the Board of Directors shall designate, and shall be drawn from such accounts only by check or other manual or electronic order for payment of money signed by the corporation's designated account signers: the President, Vice President, Secretary and Treasurer.
- 1.11 Expenditures. All annual expense outlays must be within the annual budget, and each requires appropriate purchase order, invoice or expense receipt documentation. All checks and or other manual or electronic orders for payment of money up to the amount of US\$500 shall be signed or authorized by either the Treasurer or President. All checks or other manual or electronic orders for payment of money above the amount of US\$500 shall be signed or authorized concurrently by both the Treasurer and President. Expense reimbursements paid to either the Treasurer or President must be signed by the other officer.

ARTICLE X - Fiduciary and Financial Management Policies (continued)

- 1.12 Program Reserve Liability Accounts. To enable implementation of specific corporation objectives and programs, and as may be specified from time to time by corporation donors for creation of specific reserve liability accounts therefor, the Treasurer shall establish unique accounting system liability accounts to track and monitor sources and uses of cash and securities assets for these specified purposes.
- 1.13 Indemnification of Members, Directors, Officers, Employees and Agents. The corporation shall indemnify its members, directors, officers, employees and agents for legal expenses, for acts on behalf of and authorized by the corporation that were performed in good faith and in a manner that was reasonably believed to be in the best interests of the corporation; but not for acts of negligence, impropriety, theft, misappropriation or other violations of fiduciary obligations more serious than mere carelessness.
- 1.14 Liability Protection of Members, Directors, Officers, Employees and Agents.
  - 1.14.1 Liability, Directors and Officer's Insurance. The corporation shall purchase and maintain insurance on behalf of itself, and of any person who is or was a member, director, officer, employee or agent of the corporation or who is or was serving at the request of the corporation as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of any status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.
  - 1.14.2 Personal Liability. No member of the corporation shall be liable except for their own unpaid annual dues, and no personal liability shall in any event be attached to any member in connection with any of its undertakings, except in the case of:
    - 1.14.2.1 a breach of fiduciary duty,
    - 1.14.2.2 acts or omissions not in good faith or involving intentional misconduct or knowing violations of the law,
    - 1.14.2.3 acts involving the unlawful purchases or sales of corporation assets,
    - 1.14.2.4 the payment or receipt of unlawful expenditures or dividends, or
    - 1.14.2.5 the receipt of improper or disallowed personal benefits or gain.
2. Asset and Liability Management Policies. The prudent management of assets and liabilities is central to the corporation's responsibilities. Its reputation and capacity for serving its community, fulfilling its purpose and objectives, and funding its programs is directly tied to its ability to receive, conserve and deploy capital and secure a positive return on investment. As a result, investment decisions are more conservative than those generally made for personal investments.
  - 2.1 Asset Management Guidelines and Principles.
    - 2.1.1 Asset Management Objectives. The asset management objectives of the corporation are:
      - 2.1.1.1 to provide for implementation of corporation objectives and programs while maintaining the solvency and purchasing power of the corporation over the long-term;
      - 2.1.1.2 to balance the needs of current and future generations of beneficiaries of the corporation and its objectives and programs; and
      - 2.1.1.3 to limit volatility of distributions, to minimize disruptions to programs and to the extent possible, while adhering to the prior objectives.

(continued)

ARTICLE X - Asset Management Guidelines and Principles (continued)

- 2.1.2 Periodic Appraisal of Real Property. At least every fifth year following the year 2005, or more often as required, the corporation shall conduct a market appraisal of its real property assets. Said market appraisal shall be conducted by a qualified real property appraisal professional.
  - 2.1.3 Strategic Asset Allocation Targets. To meet its asset investment objectives, the corporation shall follow a strategy of long-term total return. Investments are diversified such that the total asset portfolio shall enable fulfillment of the corporation's purpose, objectives and programs. Therefore, the corporation's overall strategic asset allocation is 70 percent real property (land and/or buildings, income-producing and for-purpose), 10-20 percent federal government-deposit-insured cash and cash equivalents, and 10-20 percent (possibly federal government-deposit-insured) income securities investments.
  - 2.1.4 Acting within these guidelines and principles, with the prior two-thirds majority approval of the Board of Directors, the Treasurer may negotiate and execute actions to reallocate corporation assets to maintain the corporation's Strategic Asset Allocation Targets.
- 2.2 Liability and Risk Management Guidelines and Principles.
- 2.2.1 Liability Management Objectives. The corporation's liability and risk management objectives are:
    - 2.2.1.1 to provide for implementation of corporation objectives and programs while maintaining the solvency and purchasing power of the corporation over the long-term;
    - 2.2.1.2 to balance the needs of current and future generations of beneficiaries of the corporation and its objectives and programs;
    - 2.2.1.3 cost of debt liabilities shall be less than the return on investment on use of funds derived from same debt liabilities;
    - 2.2.1.4 to limit volatility of debt obligation and payments, to minimize disruptions to programs and to the extent possible, while adhering to the prior objectives; and
    - 2.2.1.5 to minimize the risks to corporation solvency, and its ability to fulfill its purpose.
  - 2.2.2 Strategic Liability Allocation Targets. To meet its liability management objectives, the corporation shall follow a strategy of long-term total return on investment. Debt liabilities, those liabilities where the corporation is indebted to outside parties such as banks, leasing or lending firms, shall be limited as a percent of total assets, and shall enable fulfillment of the corporation's purpose, objectives and programs. Therefore, except as may otherwise be authorized by vote of corporation members:
    - 2.2.2.1 the corporation's total debt liability shall not exceed 25 percent of total assets, or 50 percent of cash and securities assets, of the corporation;
    - 2.2.2.2 95 percent of total debt liability shall be used for the acquisition of real property assets (land and/or buildings, income-producing and for-purpose, or improvements thereof);
    - 2.2.2.3 5 percent the corporation's total debt liability, or \$5,000, whichever is less, shall be used for short-term cash-flow-management purposes (such as credit cards); and
    - 2.2.2.4 cash balances allocated to Program Reserve Liability Accounts, as set forth in paragraph 1.12 herein, shall not count against corporation debt liability limits defined herein.

ARTICLE X - Liability and Risk Management Guidelines and Principles (continued)

- 2.2.3 Acting within these guidelines and principles, with the prior two-thirds majority approval of the Board of Directors, the Treasurer may negotiate and execute actions to reallocate corporation liabilities to achieve the corporation's Strategic Liability Allocation Targets, including:
  - 2.2.3.1 borrow money and incur debt on behalf of the corporation;
  - 2.2.3.2 notify corporation members in a timely manner of any new indebtedness that individually exceeds 10 percent of cash and securities assets of the corporation;
- 2.3 Fund-Raising Guidelines and Principles. The corporation shall promote the collection of contributions of funds and property from donors to support its purpose, objectives and programs, subject to:
  - 2.3.1 the corporation shall conduct fund-raising through all legal channels and methods;
  - 2.3.2 acceptance of contributions that create additional obligations, debt liability, or risk for the corporation are subject to two-thirds majority approval of the Board of Directors;
  - 2.3.3 contributions shall be accepted of legal funds, from legitimate individuals and organizations; and
  - 2.3.4 contributions shall be accepted to the general fund, to specific current and/or future-defined corporation Program Reserve Liability accounts, or to other specific purpose fund accounts.

# # END # #