

## SPECIAL BOARD OF DIRECTORS MEETING

April 18, 2011 7:30 AM Conference Call



Board members present: Sharon Sutton, Jerome Burg, Joyce Miller, Kyle Brumbaugh, Diana Paradise, Robert Craven, Cameron McCune, Micheline LeBlanc  
Board members absent: Kurt Larsen  
Staff present: Mike Lawrence, Marisol Valles

### I. Call to Order by CUE BOD president Micheline at 7:30 AM

- BOD President sent an email on Friday, April 15, 2011 requesting a Special CUE BOD meeting, giving the required 72 hour notification

### II. Purpose of the meeting

- The purpose of the meeting as to discuss CUE By-laws Article 6.14
  - 6.14 RESTRICTION ON INTERESTED PERSONS AS DIRECTORS. No more than 49 percent of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.
  - We currently have two CUE BOD members who are "interested persons". There are three BOD candidates, potential BOD members, who are also "interested persons". If these three people were elected, that would put the number of "interested persons" at 5 and 55 percent and that would violate 6.14.
  - So we need to decide, as the CUE BOD, what to do about this - amend the by-laws or do something else.
    - In the event that an election would bring the percentage of "interested persons" on the CUE Board of Directors over the 49 percent threshold, the lowest vote winner among those who are "interested persons" will be disqualified. The next candidate with the most votes, who is not an "interested person," is elected to the open seat.

### III. Developments since the email request for the special meeting

- CUE hired a non-profit lawyer and he was willing to work on the weekend to provide legal advice to drive our decision-making
- Lawyer suggested that the by-laws remain and that the BOD election procedures be amended to include the language mentioned above.

### IV. CUE BOD Decision

- After discussion, BOD unanimously voted to proceed as advised by council:
  - (1) By-law 6.14 left unchanged
  - BOD election procedures amended to include the above language
  - BOD candidates would be notified within 24 hours of the procedure amendment by Micheline or Mike
    - Moved by Robert and seconded by Sharon
  - (2) The entire CUE membership would be notified by Micheline or Mike within 72 hours of the BOD election procedure amendment.
    - Moved by Cameron and seconded by Kyle

### V. Adjournment

- Meeting was adjourned by Micheline at 8:45 am.