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BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 10. Cannabis [26000 - 26325] (Heading of Division 10 amended by Stats. 2017, Ch. 27, Sec. 3.)

CHAPTER 22. Cannabis Cooperative Associations [26220 - 26231.2] (Chapter 22 added by Stats. 2017, Ch. 27, Sec. 107.)

ARTICLE 6. Directors and Management [26226 - 26226.9] (Article 6 added by Stats. 2017, Ch. 27, Sec. 107.)

[26226.](#) The affairs of the association shall be managed by a board of not less than three directors who are elected by the members or stockholders.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.1.](#) The bylaws may provide that the territory in which the association has members shall be divided into districts and that directors shall be elected from the several districts. If the bylaws divides the territory into districts for the election of directors, the bylaws shall specify the number of directors to be elected by each district and the manner and method of reapportioning the directors and of redistricting the territory covered by the association.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.2.](#) The bylaws may provide that primary elections shall be held to nominate directors. If the bylaws provide that the territory in which the association has members shall be divided into districts, the bylaws may also provide that the results of the primary elections in the various districts shall be final and shall be ratified at the annual meeting of the association.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.3.](#) The bylaws may provide that the territory in which the association has members shall be divided into districts, and that the directors shall be elected by representatives or advisers, who themselves have been elected by the members or stockholders from the several territorial districts. If the bylaws divide the territory into districts for the election of representatives or advisers who elect the directors, the bylaws shall specify the number of representatives or advisers to be elected by each district and the manner and method of reapportioning the representatives or advisers and of redistricting the territory that is covered by the association.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.4.](#) The bylaws may provide that one or more directors may be chosen by a public official or commission or by the other directors selected by the members. The director shall represent primarily the interest of the general public in the association. The director shall have the same powers and rights as other directors. These directors shall not number more than one-fifth of the entire number of directors.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.5.](#) The bylaws may provide for an executive committee and may allot to the committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.6.](#) An association may provide a fair remuneration for the time that is actually spent by its officers and directors in its service and for the service of the members of its executive committee.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

[26226.7.](#) If a vacancy on the board of directors occurs, except by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy, unless the bylaws provide for an election of directors by districts. If the bylaws provide for an

election of directors by districts, the vacancy shall be filled either by the election of a director from the district in which the vacancy occurs or by the board of directors calling a special meeting of the members or stockholders in that district to fill the vacancy.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26226.8. (a) The directors shall elect a president, one or more vice presidents, a secretary, a treasurer, and such other officers as may be prescribed by the bylaws. Any two or more offices, except those of president and secretary, may be held by the same person.

(b) The treasurer may be a bank or a depository and, as such, shall not be considered as an officer, but as a function of the board of directors. In such case, the secretary shall perform the usual accounting duties of the treasurer, except that the funds shall be deposited only as and where authorized by the board of directors.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26226.9. (a) A member may bring charges against an officer or director by filing them in writing with the secretary of the association, together with a petition that is signed by 5 percent of the members, which requests the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the association and, by a vote of a majority of the members, the association may remove the officer or director and fill the vacancy. The director or officer, against whom the charges have been brought, shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses. The person bringing the charges against him or her shall have the same opportunity.

(b) If the bylaws provide for election of directors by districts with primary elections in each district, the petition for removal of a director shall be signed by 20 percent of the members that reside in the district from which the director was elected. The board of directors shall call a special meeting of the members who reside in that district to consider the removal of the director. By a vote of the majority of the members of that district at the special meeting, the director in question shall be removed from office.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)