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**RESTATED BYLAWS**  
**OF**  
**SAN DIEGO CHAPTER OF THE COMMUNITY ASSOCIATIONS INSTITUTE**

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**TABLE OF CONTENTS**  
**FOR**  
**RESTATED BYLAWS**  
**OF**  
**SAN DIEGO CHAPTER OF THE COMMUNITY ASSOCIATIONS INSTITUTE**  
a California Nonprofit Mutual Benefit Corporation

<u>Article</u>	<u>Description</u>	<u>Page</u>
1	Name and Office.....	1
2	Definitions.....	1
3	Membership.....	2
4	Meetings of Members.....	6
5	Board of Directors.....	12
6	Meetings of Board of Directors.....	16
7	Officers .....	17
8	Committees.....	20
9	Indemnification; Limitation of Liability.....	21
10	Miscellaneous.....	25
11	Emergency Provisions.....	28

**RESTATED BYLAWS**

**OF**

**SAN DIEGO CHAPTER OF THE COMMUNITY ASSOCIATIONS INSTITUTE**

**A California Nonprofit Mutual Benefit Corporation**

**ARTICLE 1**

**NAME AND OFFICE**

**SECTION 1.1 NAME.** The name of this organization shall be San Diego Chapter of the Community Associations Institute (“Chapter”).

**SECTION 1.2 INCORPORATION.** The Chapter is a corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law and is a chapter of Community Associations Institute (“CAI”). As provided in its Articles of Incorporation, the purpose of the Chapter is to engage in any lawful act or activity for which a corporation may be organized under such law, with the specific purpose being research and education regarding Community Associations.

**SECTION 1.3 CONSTRUCTION.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**SECTION 1.4 PRINCIPAL OFFICE.** The principal office for the transaction of business of the Chapter shall be located in San Diego in the State of California, at such location as may be designated by the Board of Directors of the Chapter.

**ARTICLE 2**

**DEFINITIONS**

The following capitalized term(s) shall have the meanings indicated:

**SECTION 2.1 “At-Large Member”** means a member of Community Associations Institute who falls within one of the classes of membership as defined in Article 3, Section 3.3. In relation to positions on the Board of Directors and committees, at-large members may be from any membership class, and have the same role and responsibilities as all other members of the Board or committee.

**SECTION 2.2 “Board of Directors”** means the Board of Directors of the Chapter and “Director” means a Member of the Board of Directors.

**SECTION 2.3 “Board of Trustees”** means the Board of Trustees of CAI and “Trustee” means a Member of CAI’s Board of Trustees.

**SECTION 2.4 “CAI”** means the Community Associations Institute.

**SECTION 2.5 “CAI’s Bylaws”** means the Bylaws of CAI as the name may be amended or replaced.

**SECTION 2.6 “Chapter”** means this organization, the San Diego Chapter of the Community Associations Institute.

**SECTION 2.7 “Community Association”** means any incorporated or unincorporated association trust or other entity comprised of the owners of interests in a residential, commercial, or industrial condominium, real estate cooperative, planned unit development or other real estate common interest community.

**SECTION 2.8 “Company”** shall mean a business incorporated according to the laws of a state, a limited liability corporation, a partnership, or other relationship of individuals providing service or products to others.

**SECTION 2.9 “Member”** means a Member of the San Diego Chapter of CAI.

**SECTION 2.10 “Member in Good Standing”** means a member whose rights have not been suspended by the Chapter or CAI.

### **ARTICLE 3**

#### **MEMBERSHIP**

**SECTION 3.1 IN GENERAL.** Applications for membership in CAI and within any class of membership of CAI shall be approved in accordance with the terms of CAI’s Bylaws and such rules, procedures and limitations as may be established by the Board of Trustees. CAI shall have the right to determine the appropriate class of membership for any Member. Membership in CAI is as authorized by CAI. Members are automatically assigned to a CAI certified chapter in accordance with established chapter boundaries.

**SECTION 3.2 CONFLICT OF INTEREST.** All Chapter Directors and committee members shall comply with the conflict of interest policies adopted by the Board of Trustees and stricter policies as may be established by the Chapter.

**SECTION 3.3 CLASSES OF MEMBERS.** The membership of CAI shall consist of the following:

**(a) Community Association Volunteers.** All individuals residing or owning a unit in a Community Association are eligible for membership as a Community Association Volunteer, including, without limitation, individuals living in Community Associations who have a volunteer role within their Community Association. Volunteer roles include, but are not limited to, being a member or officer of the governing body of the Community Association, participating on a volunteer committee or committees, acting as the newsletter editor for the community, or any other volunteer function sanctioned by the Community Association. An individual who meets the aforementioned criteria and also holds a membership as a Community Manager, Management Company CEO or Business Partner may hold an additional membership as a Community Association Volunteer, however, he or she may not serve in a CAI volunteer position under the Community Association Volunteer category. Community Association Volunteers will be considered as individual Members of CAI with voting rights. Community associations paying dues on behalf of a Community Association volunteer or volunteers shall own each such membership and shall be permitted to transfer each membership to another volunteer in the Community Association during the term of membership or upon renewal of the membership. Individuals paying dues with their personal funds shall be the only individual entitled to exercise the rights of membership and such membership shall not be transferable.

**(b) Community Managers.** This class of Members shall consist of professional managers of all types of association-governed communities including, but not limited to, condominium associations, townhome associations, co-operative associations, homeowners associations, large-scale communities, and planned communities. All managers of association-governed communities fall within this class of Members, regardless of whether they are on-site managers, portfolio managers, large-scale managers, are employed by a management company or have any other employment relationship. Those persons who have previously served in one of the roles in the preceding sentence and serve in a capacity of managing other managers shall be a Member of this class. All community managers shall be treated as individual Members of CAI with voting rights. A management Company or employer of a manager paying dues on behalf of a manager or managers shall own each such membership and shall be permitted to transfer each membership to another manager during the membership term, but only in the event the manager originally identified is no longer employed by the management Company. Individuals purchasing a membership with their personal funds shall be the only individual entitled to exercise the rights of membership, and such membership shall not be transferable.

**(c) Business Partners.** This class of Members shall consist of professionals and other providers of products, services, support, and counsel to association-governed communities, including developers of such communities. This class of Members shall not include Community Association management companies or managers of association-governed communities. The Company, partnership, corporation or other business entity shall designate an individual as a primary membership contact who will have voting rights for the entity and may transfer this designation to another individual during the membership term or upon renewal of the membership. All employees of a business partner Member shall be Affiliate Members and will be permitted to attend classes, functions, conferences, to purchase

products and services at membership prices, and be elected or appointed to committees or the Board of Directors.

**(d) Management Companies.** This class of Members shall consist of Community Association Management Companies. Each management Company membership shall include an individual manager membership to be held by the CEO or equivalent of the management Company. Whenever the term “CEO of a Management Company” is used in these Bylaws, it shall mean the CEO or equivalent of a management Company. Management Companies shall not transfer this manager membership to multiple managers during the course of the membership term for the purpose of obtaining membership pricing for managers who do not hold an individual manager membership. Employees of the management Company, who are not employed to manage association-governed communities, may attend selected classes and functions at the membership price.

### **SECTION 3.4 RIGHTS AND PRIVILEGES.**

**(a) Chapter Rights and Privileges.** Each Member in Good Standing of the Chapter shall be entitled to cast one vote on any and all matters required to be voted upon by Members and shall have such other rights, privileges and responsibilities as the Board of Directors shall determine. Except as otherwise provided in these Bylaws, and subject to eligibility requirements, each Member in Good Standing shall be eligible to serve on the Chapter Board of Directors and committees.

**(b) CAI Rights and Privileges.** Each Member in Good Standing of CAI shall be entitled to cast one vote on any and all matters required to be voted upon by Members and shall have such rights, privileges and responsibilities as the Board of Trustees shall determine. Except as otherwise provided in the CAI Bylaws, and subject to eligibility requirements, each Member in Good Standing shall be eligible to serve on the CAI Board of Trustees, Membership Representation Groups, and committees.

**SECTION 3.5. SUSPENSION FOR NONPAYMENT.** The Chapter may adopt reasonable policies to suspend certain membership rights and privileges resulting from nonpayment of amounts due and owing to the Chapter or CAI.

**SECTION 3.6 ANNUAL DUES.** The Board of Trustees shall determine the amount of annual dues, fees, and other assessments to be paid to CAI by each class of Members. Unless terminated, each membership shall continue automatically from year to year, with annual dues, fees, and other assessments payable by each Member on or before such date as shall be determined by the Board of Trustees. Unless otherwise directed by the Board of Trustees, all annual dues, fees, and other assessments shall be paid to CAI in advance of the 12-month period to which they relate. The Board of Trustees may impose such other fees and charges as it deems proper and may waive or modify the requirement to pay dues, fees or charges for particular Members.

**SECTION 3.7 TERMINATION OF MEMBERSHIP.** A membership in the Chapter shall terminate on occurrence of any of the following events:

(a) Resignation of the Member in writing (with all fees, charges and dues owing by the resigning Member remaining due and payable and with no refund of paid dues or fees for unused services);

(b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;

(c) The Member's failure to pay dues, fees, or assessments as set by the Board within a designated period of time after they are due and payable;

(d) Any event that renders the Member ineligible for membership, or failure to satisfy membership qualifications; or

(e) Termination of membership under Section 3.9 of these Bylaws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has failed in a material and serious degree to observe the rules of conduct of the Chapter, including its conflict of interest policies, or has engaged in conduct materially and seriously prejudicial to the Chapter's purposes and interests.

**SECTION 3.8 SUSPENSION OF MEMBERSHIP.** A Member of the Chapter may be suspended, under Section 3.9 of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has failed in a material and serious degree to observe the Chapter's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the Chapter's purposes and interests. A person whose membership is suspended shall not be a Member during the period of suspension.

**SECTION 3.9 PROCEDURES FOR TERMINATION OR SUSPENSION OF MEMBERSHIP.** If grounds appear to exist for suspending or terminating a Member of the Chapter under Sections 3.7 or 3.8 of these Bylaws, the following procedure shall be followed:

(a) The Chapter shall give the Member at least fifteen (15) days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the Member's last address as shown on the Chapter's records.

(b) The Member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.

(c) The Board, committee, or person shall decide whether the Member's membership should be terminated, or whether the Member should be suspended or otherwise sanctioned in any way. The decision of the Board, committee, or person shall be final and binding on all interested parties.

(d) Any action challenging a termination of membership, suspension or other sanction, including a claim alleging defective notice, must be commenced within one year after the date of the suspension or termination.

## **ARTICLE 4**

### **MEETINGS OF MEMBERS**

**SECTION 4.1 ANNUAL MEETING.** There shall be an annual meeting of Members of the Chapter for the transaction of such business as may properly come before the meeting or any adjournment thereof. The annual meeting shall be held at such time and place as the Board of Directors may determine.

#### **SECTION 4.2 PLACE OF MEETINGS; ELECTRONIC PARTICIPATION.**

(a) Meetings of Members shall be held at any place within or outside California designated by the Board or by the written consent of all Members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, Members' meetings shall be held at the Chapter's principal office.

(b) If authorized by the Board in its sole discretion, and subject to the requirement of consent in clause (b) of Section 10.13 and those guidelines and procedures as the Board may adopt, voting Members not physically present in person (or, if proxies are allowed, by proxy) at a meeting of Members may, by electronic transmission by and to the Chapter (Sections 10.13 and 10.14) or by electronic video screen communication, participate in a meeting of Members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of Members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the Chapter or by electronic video screen communication, in accordance with subsection (c) below.

(c) A meeting of the Members may be conducted, in whole or in part, by electronic transmission by and to the Chapter or by electronic video screen communication (1) if the Chapter implements reasonable measures to provide voting Members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any Member votes or takes other action at the meeting by means of electronic transmission to the Chapter or electronic video screen communication, a record of that vote or action is maintained by the Chapter. Any request by the Chapter to a Member pursuant to clause (b) of Section 10.13 for consent to conduct a meeting of Members by electronic transmission by and to the Chapter, shall include a notice that absent consent of the Member pursuant to clause (b)

of Section 10.13, the meeting shall be held at a physical location in accordance with subsection (a) above.

**SECTION 4.3 SPECIAL MEETINGS.** The Board or the President or five percent (5%) or more of the voting Members may call a special meeting of the Members for any lawful purpose. A special meeting called by any person entitled to call a meeting (other than the Board) shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the President or the President-Elect or the Secretary of the Chapter. The officer receiving the request shall cause notice to be given promptly to the Members entitled to vote as provided in these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of Members may be held when the meeting is called by the Board. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

**SECTION 4.4 NOTICE OF MEETINGS.**

(a) Whenever Members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each Member entitled to vote at that meeting. The notice shall specify the place, date, and time of the meeting and the means of electronic transmission by and to the Chapter (Sections 10.13 and 10.14) or electronic video screen communication, if any, by which Members may participate in that meeting. Subject to Bylaws Section 4.5 below, for the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the Members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

(b) Notice of any meeting of Members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission by the Chapter, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each Member entitled to vote, at the address of that Member as it appears on the books of the Chapter or at the address given by the Member to the Chapter for purposes of notice. If no address appears on the Chapter's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that Member by first-class mail or facsimile or other written communication to the Chapter's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located. Notice given by electronic transmission by the Chapter under this subsection shall be valid only if it complies with Section 10.13. Notwithstanding the foregoing, notice shall not be given by electronic transmission by the Chapter under this subsection after either of the following: (1) The Chapter is unable to deliver two (2) consecutive notices to the Member by that means. (2) The inability to so deliver the notices to

the Member becomes known to the Secretary, any assistant secretary or any other person responsible for the giving of the notice.

(c) An affidavit of the mailing of any notice of any Members' meeting, or of the giving of such notice by other means, may be executed by the Secretary or assistant secretary of the Chapter, and if so executed, shall be filed and maintained in the Chapter's minute book.

#### **SECTION 4.5 QUORUM.**

(a) Fifteen Percent (15%) of the voting power, represented in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of Members, except as provided in (b) below. Since, as indicated in the preceding sentence, these Bylaws authorize the Chapter to conduct a meeting with a quorum of less than one-third of the voting power, then the only matters that may be voted upon at any annual meeting actually attended, in person or by proxy, by less than one-third of the voting power are matters notice of the general nature of which was given under Section 4.4(a) of these Bylaws. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough Members have withdrawn to leave less than a quorum, if 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 present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the Members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Mutual Benefit Chapter Law or by the Articles of Incorporation.

(b) If a quorum shall not be present at any meeting of Members, a majority of the Members present and entitled to vote thereat shall have power to adjourn the meeting to a date not fewer than two (2) days and not more than forty (40) days after the date the original meeting was called, at which adjourned meeting the quorum requirement shall be at least ten percent (10%) of the voting Members as established at the time of the original meeting notice, without notice other than announcement at the original meeting. If a time and place for the adjourned meeting is not fixed by those present at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to all voting Members in the manner prescribed for meetings of the Members. If after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting.

#### **SECTION 4.6 WAIVER OF NOTICE OR CONSENT.**

(a) The transactions of any meeting of Members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if a quorum is present either in person or by proxy, and if either before or after the meeting, each Member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the

meeting. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) A Member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the Member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

**SECTION 4.7 ACTION BY UNANIMOUS WRITTEN CONSENT.** Any action required or permitted to be taken by the Members may be taken without a meeting, if all Members shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the Members. The action by written consent shall have the same force and effect as a unanimous vote of the Members.

**SECTION 4.8 ACTION BY WRITTEN BALLOT.** Any action that Members may take at any meeting of Members, including, without limitation, election of directors, may also be taken without a meeting by complying with this section of these Bylaws, as follows:

(a) This Chapter shall distribute one written ballot to each Member entitled to vote on the matter. If approved by the Board, that ballot and any related material may be sent by electronic transmission by the Chapter (Section 10.13) and responses may be returned to the Chapter by electronic transmission to the Chapter (Section 10.14). All solicitations of votes by written ballot shall (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (A) set forth the proposed action; (B) give the Members an opportunity to specify approval or disapproval of each proposal; and (C) provide a reasonable time in which to return the ballot to the Chapter. If the Chapter has 100 or more Members, any written ballot distributed to ten or more Members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

(b) In any election of directors, a written ballot that a Member marks "withhold," or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

(c) Approval by written ballot shall be valid only when (i) the number of votes cast by ballot (including ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting. A written ballot may not be revoked.

#### **SECTION 4.9 RECORD DATE.**

(a) For purposes of establishing the Members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of Directors may, in advance, fix a record date. The record date so fixed for:

(1) Sending notice of a meeting shall be no more than 90 nor less than 10 days before the date of the meeting;

(2) Voting at a meeting shall be no more than 60 days before the date of the meeting;

(3) Voting by written ballot shall be no more than 60 days before the day on which the first written ballot is mailed or solicited; and

(4) Taking any other action shall be no more than 60 days before that action.

(b) If not otherwise fixed by the Board, the record date for determining Members entitled to receive notice of a meeting of Members shall be the business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held. If not otherwise fixed by the Chapter, the record date for determining Members entitled to vote at the meeting shall be the day on which the meeting is held. If not otherwise fixed by the Chapter, the record date for determining Members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited. If not otherwise fixed by the Board, the record date for determining Members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later. A person holding a membership at the close of business on the record date shall be a Member of record.

#### **SECTION 4.10 PROXIES.**

(a) Each Member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Chapter. A proxy shall be deemed signed if the Member's name is placed on the proxy by the Member or the Member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.

(b) If the Chapter has 100 or more Members, any form of proxy distributed to 10 or more Members shall give the Member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of directors, any form of

proxy that a Member marks “withhold,” or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

(c) Any revocable proxy covering matters for which a vote of the Members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on. Such matters include amendments to the Articles of Incorporation; amendments to the Articles or Bylaws changing proxy rights; removal of directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all corporate assets unless the transaction is in the usual and regular course of the Chapter’s activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the Chapter; contracts or transactions between the Chapter and one or more directors or between the Chapter and an entity in which a director has a material financial interest; or a plan of distribution of assets other than money to Members when the Chapter is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes.

(d) No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be three years after the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Corp Code § 7613. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until either:

(1) it is revoked by the Member executing it before the vote is cast under that proxy, (A) by a writing delivered to the Chapter stating that the proxy is revoked, (B) by a subsequent proxy executed by that Member and presented to the meeting, or (3) as to any meeting, by the Member’s personal attendance and voting at the meeting, or

(2) written notice of the death or incapacity of the maker of the proxy is received by the Chapter before the vote under the proxy is counted.

**SECTION 4.11 ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS.** Any Members’ meeting, whether or not a quorum is present, may be adjourned from time to time to another time and place by the vote of the majority of the Members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a Members’ meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the Chapter or electronic video screen communication, if any, by which Members may participate) are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Chapter may transact any business that might have been transacted at the original meeting.

## ARTICLE 5

### **BOARD OF DIRECTORS**

**SECTION 5.1 GENERAL POWERS.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws regarding actions that require approval of the Members, the activities and affairs of the Chapter shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors of the Chapter. The Board may delegate the management of the activities of the Chapter to any person or persons, management Company, or committee however composed, provided that the activities and affairs of the Chapter shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

### **SECTION 5.2 NUMBER OF DIRECTORS; QUALIFICATIONS.**

**(a) Number.** The Board of Directors shall consist of at least eight (8) but not more than twelve (12) Directors unless changed by amendment to these Bylaws. At least two (2) Members of the Board shall be Community Association volunteers; three (3) Members of the Board shall be Community Association managers; and three (3) Members of the Board shall be business partners. A maximum of three (3) additional Directors may be nominated and elected from three (3) different classes of Members or areas of specialization, if reasonably possible. Unless a Director has been removed from office, if such Director is the President-Elect in the last year of the Director's first three-year term, then, upon completion of such term, such individual shall become President and shall serve as President and a Director for such individual's one (1) year term as President, regardless of whether such individual is elected for a second consecutive three (3) year term. In addition, pursuant to Section 5.3(c)(2), unless a Director has been removed from office, if such Director is the President-Elect in the last year of the Director's second three (3) year term, then, upon completion of such term, such individual shall become President and shall serve as President and a Director for such individual's one (1) year term as President. The exact number of Directors, within the minimum and maximum, inclusive, shall be fixed or changed from time to time by the Board of Directors' determination as to the number of additional Directors (from zero (0) to three (3)) to be nominated and elected, evidenced by a resolution adopted by the Board and/or by the adoption, approval, acceptance or amendment of a Board Manual by the Board, and by the holdover of the President-Elect as President and a Director under the circumstances referred to in the preceding sentence, if applicable, in all such cases without the need for any amendment to these Bylaws. Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of the Director's term of office unless the reduction also provides for the removal of one or more specified Directors. The Executive Director has no Board vote and is therefore not a Director but attends Board meetings and facilitates Board functions as part of such Executive Director's duties.

**(b) Qualifications.**

(1) Each Director must be a Member in Good Standing of the Chapter and CAI in order to be elected and/or not to be removed as a Director.

(2) If a Director misses three (3) consecutive Board meetings, the Board may remove such Director.

(3) Only one (1) natural person per Member Company may serve, or be a candidate to serve, on the Board at the same time; provided, however, a natural person who, while serving on the Board, transfers to, or becomes an employee of, a Member Company currently represented on the Board qualifies to serve the remainder of his or her term. Upon expiration of the term of any Director who works for a Member Company that has another Director simultaneously serving on the Board, such person shall not be able to be a candidate while such other Director remains on the Board.

(4) The Board of the Chapter may waive any disqualification referred to in this Section 5.2(b).

(5) Such other qualifications as are included in the Board Manual or as the Board shall otherwise determine shall be deemed prescribed by these Bylaws.

(c) The composition of At-Large seats on the Board of Directors shall not provide any one (1) membership class with more than fifty percent (50%) of the seats on the Board of Directors. In the event that a Director's class of membership changes during his or her term of service, he or she shall complete the remainder of the current election year, so long as the makeup of the Board is not compromised, in which case his or her slot will be automatically forfeited. Any subsequent Board service must be in a position designated for his or her then class of membership.

**SECTION 5.3 TERMS OF THE BOARD OF DIRECTORS.** Each Director shall serve for a term of three (3) years or until his or her successor has been appointed. Board of Directors terms shall be staggered so that the terms of not more than one-third (1/3) of the Directors expire each year. Except as set forth in Section 7.2 of these Bylaws, a member may serve on the Board of Directors for a total of six (6) years. Those years of service do not have to be consecutive. After a member has served for six (6) years, he or she may not serve again for three (3) years. At that time, he or she begins the process of accumulating his or her six (6) years again.

**SECTION 5.4 NOMINATION AND ELECTION OF DIRECTORS.** In accordance with reasonable nomination and election procedures established by the Board of Directors and made available to the voting Members, each year an authorized committee or committees, or the Board, shall select, as well as collect from voting Members, the names of qualified individuals as nominees for the Director positions available for election for the year. Election shall be by written ballot or at a meeting as determined by the Board.

**Section 5.4 A. Article VI. Board of Directors**

E. No candidate may campaign for election or cause another individual or individuals to campaign on behalf of the candidate. A candidate campaigning for election who is elected shall be disqualified from serving.

#### **SECTION 5.5 REMOVAL.**

(a) Any or all directors may be removed without cause if the removal is approved by the voting Members (Corp Code § 5034).

(b) Any reduction of the authorized number of directors or any amendment reducing the number of classes of directors does not remove any director prior to the expiration of the director's term of office unless the reduction or amendment also provides for the removal of one or more specified directors.

(c) Except as provided in this Section 5.5, a director may not be removed prior to the expiration of the director's term of office.

(d) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or, in the case of a corporation holding assets in charitable trust, has been found by a final order or judgment of any court to have breached any duty arising as a result of Corp Code § 7238, or, if at the time a director is elected, the Bylaws provide that a director may be removed for missing a specified number of Board meetings, fails to attend the specified number of meetings.

(e) As provided in Corp Code § 7151(c)(3), the Articles or Bylaws may prescribe the qualifications of the directors. The Board, by a majority vote of the directors who meet all of the required qualifications to be a director, may declare vacant the office of any director who fails or ceases to meet any required qualification that was in effect at the beginning of that director's current term of office.

(f) Pursuant to Corp Code § 7223, the superior court of the proper county may in certain circumstances also remove a director.

**SECTION 5.6 RESIGNATION.** Any Director may resign effective upon giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be elected before that time, to take office when the resignation becomes effective.

**SECTION 5.7 VACANCIES.** Except for a vacancy created by the removal of a Director by the voting Members, vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Corp Code §

7211, or (3) a sole remaining Director. The voting Members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. Unless the individual filling a vacancy as provided above has been removed from office, such individual shall serve for the unexpired term of his or her predecessor in office. Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of the Director's term of office unless the reduction also provides for the removal of one or more specified Directors.

**SECTION 5.8 RIGHTS OF INSPECTION.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Chapter.

**SECTION 5.9 PERFORMANCE OF DIRECTOR DUTIES.**

(a) A Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Chapter and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(b) In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (1) One or more officers or employees of the Chapter whom the Director believes to be reliable and competent in the matters presented; (2) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or (3) A committee upon which the Director does not serve that is composed exclusively of any or any combination of directors, persons described in (1) above, or persons described in (2) above, as to matters within the committee's designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**SECTION 5.10 ADVISORS.** The Board from time to time may appoint one or more persons to be advisors to the Board who shall not by such appointment be members of the Board and shall therefore have no vote. Advisors shall be available from time to time to perform special assignments specified by the President, to attend meetings of the Board upon invitation and to furnish consultation to the Board. The election of advisors, the period during which the title shall be held, and other matters regarding the advisors may be prescribed by the Board or included in the Board Manual. If no period is prescribed, the title shall be held at the pleasure of the Board. The immediate past President, when not serving as an elected Director, shall be an advisor to the Board while he or she is immediate past President.

**SECTION 5.11 REIMBURSEMENT OF EXPENSES.** No Director shall be compensated for serving as a Director; provided, however, that the Board of Directors may reimburse any

Director for reasonable out-of-pocket expenses incurred as budgeted and authorized by the Board of Directors.

## ARTICLE 6

### MEETINGS OF BOARD OF DIRECTORS

**SECTION 6.1 IN GENERAL.** The Board of Directors shall hold a minimum of one (1) meeting quarterly at such time and place as the Board of Directors may determine. All Board meetings held in person shall be open to all Chapter members, but members other than Directors may not participate in any discussion or deliberation unless expressly authorized by the Board of Directors. Notwithstanding the above, the Board of Directors may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which CAI is or may become involved, contract negotiations, matters that, in the exercise of the Board's reasonable discretion, require personal privacy, or other matters that require confidentiality. The nature of any and all business to be considered in executive session shall first be announced in open session.

**SECTION 6.2 REGULAR MEETINGS.** Regular meetings of the Board of Directors may be held without notice if the time and place of the meetings are fixed by these Bylaws or the Board.

**SECTION 6.3 SPECIAL MEETINGS; NOTICE.** Special meetings of the Board of Directors may be called by the President or upon the written request of one-third (1/3) of the Directors or upon the written request of the Executive Director, at such time and place as the President, or President-Elect, as the case may be, may designate. Special meetings of the Board shall be held upon four days' notice by first-class mail or 24 hours' notice delivered personally or by telephone, including a voice messaging system or by electronic transmission by the Chapter (Section 10.13). Unless otherwise provided in these Bylaws, a notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board.

**SECTION 6.4 QUORUM; MANNER OF ACTING.** A majority of the number of Directors then in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in the adjournment section below. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is required by law or by the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting or a greater number as required by subsection (b) below. Each Director present and voting at a meeting shall have one vote on each matter presented to the Board for action at that meeting. No Director may vote at any meeting by proxy.

**SECTION 6.5 VOTES ON MATTERS RELATED TO PUBLIC POLICY.** All matters involving a public policy position of the Chapter must be adopted by a two-thirds (2/3) vote of those Directors present and voting at a duly called meeting of the Board of Directors, a quorum being present, and must not be inconsistent with the policies, goals and objectives of CAI.

**SECTION 6.6 PARTICIPATION BY CONFERENCE TELEPHONE OR OTHER COMMUNICATIONS METHOD.** Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or electronic transmission by and to the Chapter (Sections 10.13 and 10.14). Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this section constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic transmission by and to the Chapter, other than conference telephone and electronic video screen communication, pursuant to this section constitutes presence in person at that meeting if both of the following apply: (A) Each member participating in the meeting can communicate with all of the other members concurrently. (B) Each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Chapter.

**SECTION 6.7 WAIVER OF NOTICE.** Notice of a meeting need not be given to a Director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that Director. All waivers, consents and approvals as to a Board meeting shall be filed with the corporate records or made a part of the minutes of the meeting.

**SECTION 6.8 ADJOURNMENT.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than 24 hours, notice of an adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

**SECTION 6.9 ACTION WITHOUT MEETING.** Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. The consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as the unanimous vote of the Directors.

## **ARTICLE 7**

### **OFFICERS**

**SECTION 7.1 OFFICERS.** The elected officers of the Chapter shall be a President, a President-Elect, a Vice President, a Treasurer and a Secretary. The Board of Directors shall also appoint an Executive Director. The Board may also choose other officers as the Board may deem necessary or advisable. Officers whose authority and duties are not prescribed in these Bylaws, in or pursuant to a contract of employment or employment relationship or in the Board Manual shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

**SECTION 7.2 SELECTION AND TERM OF OFFICE.** The officers of the Chapter, with the exception of the President, shall be elected from among the Directors each year by the Board of Directors by a majority vote of the Board. Each officer shall serve for a term of one (1) year or until a successor has taken office. The President-Elect shall serve for one (1) year and directly following the conclusion of that year of service shall serve as President for one (1) year.

In the event a member of the Board is elected to serve as President-Elect during the last year of his or her term on the Board, that individual will automatically be granted one (1) additional year to serve as President. The partial term remaining shall be filled by the successor Director receiving the least number of votes. In the case of a person who serves as President-Elect in his or her sixth year on the Board, he or she will be permitted to serve seven (7) years to complete his or her term as President.

**SECTION 7.3 REMOVAL; RESIGNATION.** Any officer or agent may be removed by the Board of Directors or other persons authorized to elect or appoint such officer or agent, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer may resign at any time upon written notice to the Chapter without prejudice to the rights, if any, of the Chapter under any contract to which the officer is a party.

**SECTION 7.4 VACANCIES.** The President-Elect shall become the President if the President is unable to complete his or her term. Otherwise, vacancies in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election/appointment to the office, provided that vacancies may be filled as they occur and not just on an annual basis.

**SECTION 7.5 PRESIDENT.** The President shall be the chief elected officer of the Chapter, shall be a member of the executive committee and shall preside at all meetings of the Members, the Board of Directors and the executive committee. In the President's absence, the President-Elect shall preside, or if both are absent, the Vice President, the Treasurer, then the Secretary, shall preside. The President shall be an *ex officio* member of all committees. The President may execute all contracts, deeds, certificates, bonds or other obligations authorized by the Board and sign records or certificates required by law or by orders of the Board of Directors. The President shall perform such other duties as may be prescribed by the Board of Directors or as shall be contained in the Chapter Board Manual, if any.

**SECTION 7.6 PRESIDENT-ELECT.** The President-Elect shall assist the President in the discharge of his or her duties as the President may direct and shall perform such other duties as

from time to time may be assigned to him or her by the President or the Board of Directors or as shall be contained in the Chapter Board Manual, if any. The President-Elect shall perform the duties of the President in the event of the President's absence or refusal or inability to serve. When so acting, the President-Elect shall have all the powers of, and be subject to all the restrictions upon, the President.

**SECTION 7.7 VICE PRESIDENT.** The Vice President shall perform the duties of the President-Elect in the event of the President-Elect's absence or refusal or inability to serve. When so acting, the Vice President shall have all the powers of, and be subject to all the restrictions upon, the President-Elect. The Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or the Board of Directors or as shall be contained in the Chapter Board Manual, if any.

**SECTION 7.8 TREASURER.** The Treasurer shall be the chief financial and accounting officer of the Chapter and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the Chapter. The books and records of account shall at all times be open to inspection by any Director. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the Chapter with depositaries designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Chapter as ordered by the Board and shall render to the Board of Directors, whenever they reasonably request it, an account of all transactions as Treasurer and of the financial condition of the Chapter. The Treasurer shall have such other duties as are incident to such office or required by law or as from time to time may be assigned by the President or the Board of Directors or as shall be contained in the Chapter Board Manual, if any.

**SECTION 7.9 SECRETARY.** The Secretary shall record (or cause to be recorded) the minutes of the meetings of the Members and of the Board of Directors. In the Secretary's absence the President may appoint an assistant secretary to temporarily assume the Secretary's duties. The Secretary shall keep, or cause to be kept, at the principal office or other place ordered by the Board, a book of minutes of all proceedings of the Members, the Board and its committees and a record of the Chapter's Members giving their names and addresses and the class of membership held by each. The Secretary shall keep, or cause to be kept, at the principal office of the Chapter in the State of California the original or a copy of the Chapter's Articles of Incorporation and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of Members, the Board and any committees of the Board required by these Bylaws or by law to be given. The Secretary shall be empowered to certify as true, the original or a copy of the Bylaws or minutes of meetings or resolutions or actions of the Chapter. The Secretary shall have such other duties as are incident to such office or required by law or as from time to time may be assigned by the President or the Board of Directors or as shall be contained in the Chapter Board Manual, if any.

**SECTION 7.10 EXECUTIVE DIRECTOR.** The Executive Director shall be the general manager and chief executive officer of the Chapter responsible for all management functions. Subject to the direction and control of the Board of Directors, the Executive Director shall be in charge of the business and affairs of the Chapter. The Executive Director shall see that all orders and resolutions of the Board of Directors are carried into effect. The Executive Director may

execute all contracts, deeds, certificates, bonds or other obligations authorized by the Board or President and sign records or certificates required by law or by orders of the Board of Directors or President. The Executive Director attends Board and committee meetings and facilitates Board and committee functions as part of such Executive Director's duties. Other duties may be assigned to the Executive Director by the Board of Directors by mutual agreement consistent with any contractual relationship between the Executive Director and the Chapter.

## ARTICLE 8

### COMMITTEES

#### **SECTION 8.1 CREATION OF AND DELEGATION TO BOARD COMMITTEES.**

The Board may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. The Board may delegate to such Board committees (consisting entirely of Directors) any of the authority of the Board, except with respect to:

(a) Actions which by law would require approval of Members (per Corp Code §5034) or of a majority of all Members (per Corp Code §5033), regardless of whether the Chapter has Members.

(b) The filling of vacancies on the Board or in any committee which has the authority of the Board.

(c) The fixing of compensation of the Directors for serving on the Board or on any committee.

(d) The amendment or repeal of Bylaws or the adoption of new Bylaws.

(e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.

(f) The appointment of committees of the Board or the members thereof.

(g) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

(h) With respect to any assets held in charitable trust, the approval of any self-dealing transaction except as provided in Corp Code § 5233(d)(3).

**SECTION 8.2 BOARD COMMITTEES.** Any such committee may be designated an Executive Committee or given another name as the Board shall specify. The Board may appoint, in the same manner, one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any of these committees shall be

conducted. In the absence of prescription by the Board, a committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or a committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of these Bylaws applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

**SECTION 8.3 EXECUTIVE COMMITTEE.** An Executive Committee which the Board may create shall be made up entirely of Directors and shall consist of the President, President-Elect, Vice-President, Secretary and Treasurer. Subject to ultimate direction of the Board and any relevant provisions of the any Board manual, the Executive Committee shall only have the power to deal with personnel issues, Member discipline and approval of contracts.

**SECTION 8.4 ELECTION COMMITTEE.** Each year the Executive Committee (or the Board if there is no Executive Committee) shall designate an Election Committee that shall consist of at least one (1) Member from each class. Members of the Election Committee shall consist of individuals who are not running for election.

**SECTION 8.5 LEGISLATIVE ACTION COMMITTEES.** The Board of Directors shall appoint delegates to the California Legislative Action Committee in accordance with the Legislative Action Committee Operational Guidelines approved by the CAI Board of Trustees. The appointed delegates shall provide a report to the Chapter Board of Directors regularly.

**SECTION 8.6 FINANCE COMMITTEE.** The Board of Directors may appoint a Finance Committee, which may be composed of the Treasurer and four (4) other Members, one of whom shall be the President-Elect of the Board and one of whom shall be the Immediate Past President of the Board, and two (2) additional Members appointed by the President. This Committee shall, in accordance with such procedures as may be established by the Board of Directors, recommend a budget to the Board of Directors for each fiscal year. The Finance Committee shall examine the accounts and books of the Chapter and make interim reports to the Board and further, shall oversee any audit, review or compilation of chapter financial statements by a certified public accountant and report results of the audit, review or compilation to the Board of Directors.

**SECTION 8.7 NON-BOARD COMMITTEES.** While a committee exercising the authority of the Board shall not include as members persons who are not Directors, the Board may create other committees that do not exercise the authority of the Board. These other committees may include persons who are not Directors.

## **ARTICLE 9**

### **INDEMNIFICATION; LIMITATION OF LIABILITY**

**SECTION 9.1 DEFINITIONS.** For the purposes of this Article 9, "agent" means any person who is or was a Director, officer, employee or other agent of the Chapter, or is or was serving at the request of the Chapter as a Director, officer, employee or agent of another foreign or domestic

corporation, partnership, joint venture, trust or other enterprise, or was a Director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Chapter or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 9.4 or 9.5(c) of this Article 9.

**SECTION 9.2 INDEMNIFICATIONS IN ACTIONS BY THIRD PARTIES.** The Chapter shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Chapter to procure a judgment in its favor, an action brought under Section 5233 of Part 2 (commencing with Section 5110), made applicable pursuant to Section 7238, of the California Corporations Code, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Chapter, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Chapter and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Chapter or that the person had reasonable cause to believe that the person's conduct was unlawful.

**SECTION 9.3 INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CHAPTER.** The Chapter shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Chapter, or brought under Section 5233 of Part 2 (commencing with Section 5110), made applicable pursuant to Section 7238, of the California Corporations Code, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Chapter, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Chapter and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 9.3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Chapter in the performance of such person's duty to the Chapter, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

**SECTION 9.4 INDEMNIFICATION AGAINST EXPENSES.** To the extent that an agent of the Chapter has been successful on the merits in defense of any proceeding referred to in Sections 9.2 or 9.3 of this Article 9 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**SECTION 9.5 REQUIRED DETERMINATIONS.** Except as provided in Section 9.4 of this Article 9, any indemnification under this Article 9 shall be made by the Chapter only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 9.2 or 9.3 of this Article 9, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(b) Approval of the Members (Section 5034 of the California Corporations Code), with the persons to be indemnified not being entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by the Chapter or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Chapter.

**SECTION 9.6 ADVANCE OF EXPENSES.** Expenses incurred in defending any proceeding may be advanced by the Chapter prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in Article 9.

**SECTION 9.7 OTHER INDEMNIFICATION.** No provision made by the Chapter to indemnify its or its subsidiary's Directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of Members or Directors, an agreement or otherwise, shall be valid unless consistent with this Article 9. Nothing contained in this Article 9 shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise.

**SECTION 9.8 FORMS OF INDEMNIFICATION NOT PERMITTED.** No indemnification or advance shall be made under this Article 9, except as provided in Section 9.4 or 9.5(c), in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the Articles, Bylaws, a resolution of the Members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid,

which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**SECTION 9.9 INSURANCE.** The Chapter shall have power to purchase and maintain insurance on behalf of any agent of the Chapter against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Chapter would have the power to indemnify the agent against such liability under the provisions of this Article 9. Anything contained in these Bylaws to the contrary notwithstanding, the applicability, coverage, protection, payment and benefits of such insurance shall not be at all limited by the other provisions of these Bylaws.

**SECTION 9.10 LIMITATION OF LIABILITY.** Each Director shall perform the duties of a director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Chapter and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(a) In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the Chapter whom the Director believes to be reliable and competent in the matters presented;

(2) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(b) A committee upon which the Director does not serve that is composed exclusively of any or any combination of directors, persons described in paragraph (1), or persons described in paragraph (2), as to matters within the committee's designated authority, which committee the Director believes to merit confidence, so long as, in any case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

(c) A person who performs the duties of a director in accordance with subdivisions (a) and (b) shall have no liability based upon any alleged failure to discharge the person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public purpose to which assets held by a corporation are dedicated.

## ARTICLE 10

### MISCELLANEOUS

**SECTION 10.1 BOOKS AND RECORDS; MINUTES.** The Chapter shall keep: (a) Adequate and correct books and records of account; (b) Minutes of the proceedings of its Members, Board and committees of the Board; and (c) A record of its Members giving their names and addresses and the class of membership held by each. Those minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing.

**SECTION 10.2 CONTENTS OF BYLAWS.** The Bylaws may contain any provisions for the regulation and management of the affairs of the Chapter not inconsistent with law or the Articles of Incorporation. The Board of Directors may also adopt a Chapter Board of Directors Policies and Procedures Manual ("Chapter Board Manual" or "Board Manual"), which may contain a number of provisions governing the operations of the Chapter not appropriate for placement in these Bylaws.

**SECTION 10.3 ARTICLES AND BYLAWS.** The Chapter shall keep at its principal office in California the original or a copy of its Articles and Bylaws as amended to date, which shall be open to inspection by the voting Members at all reasonable times during office hours. If the Chapter has no office in California, it shall upon the written request of any voting Member furnish to such voting Member a copy of the Articles or Bylaws as amended to date.

**SECTION 10.4 FISCAL YEAR.** The fiscal year of the Chapter shall be as designated by the Board and/or as set forth in the Board Manual.

**SECTION 10.5 CONTRACTS, CHECKS, DRAFTS, ETC.** Except as otherwise provided in these Bylaws, all contracts and all checks, drafts, notes, acceptances, endorsements and other evidences of indebtedness may be executed on behalf of the Chapter only by the President, the Executive Director or such other officers and agents of the Chapter as the Board of Directors or the Executive Committee may authorize.

**SECTION 10.6 LOANS.** No loans shall be made or obtained on behalf of the Chapter, and no negotiable instruments other than checks shall be issued in its name, unless and except as authorized by the Board of Directors.

**SECTION 10.7 DEPOSITS.** Unless otherwise directed by the Board of Directors, all funds of the Chapter shall be deposited in such depositories as the Executive Committee or the President may select, or as may be selected by another officer or agent authorized by the Board of Directors.

**SECTION 10.8 PROCEDURES.** All meetings of the Members, the Board of Directors and the

Executive Committee may be governed by the rules set forth in the latest edition of Robert's Rules of Order, Newly Revised, as long as such rules are not in conflict with these Bylaws or with rules and procedures established by the Board or the Executive Committee. By majority vote, the Board of Directors may vote to suspend Robert's Rules of Order.

**SECTION 10.9 USE OF FUNDS AND DISSOLUTION.** The Chapter shall use its funds only to accomplish its stated purpose and objectives. Upon dissolution of the Chapter, all of its assets shall be distributed to CAI, or its successor.

**SECTION 10.10 LOSS OF CHARTER.** This Chapter may be decertified by a vote of the Board of Trustees, as provided in the policies and procedures of CAI. In such event, the Chapter agrees to be bound by the CAI policies.

**SECTION 10.11 TRANSITIONAL PROCEDURES.** Any and all actions taken pursuant to the Bylaws of the Chapter in effect prior to the date of adoption hereof shall remain in full force and effect unless and until expressly changed or revoked pursuant hereto.

**SECTION 10.12 "WRITTEN" OR "IN WRITING".** "Written" or "in writing" includes facsimile, telegraphic, and other electronic communication as authorized by the California Corporations Code, including an electronic transmission by the Chapter that satisfies the requirements of Section 10.10.

**SECTION 10.13 ELECTRONIC TRANSMISSION BY THE CHAPTER.** "Electronic transmission by the Chapter" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the Chapter, (2) posting on an electronic message board or network which the Chapter has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to the California Corporations Code, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. However, an electronic transmission under the California Corporations Code by the Chapter to an individual Member of the Chapter who is a natural person, and if an officer or director of the Chapter, only if communicated to the recipient in that person's capacity as a Member, is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper or in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the Chapter, and (c) the procedures the recipient must use to withdraw consent.

**SECTION 10.14 ELECTRONIC TRANSMISSION TO THE CHAPTER.** "Electronic transmission to the Chapter" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, which the Chapter has provided from time to time to Members and

directors for sending communications to the Chapter, (2) posting on an electronic message board or network which the Chapter has designated for those communications, and which transmission shall be validly delivered upon the posting, or (3) other means of electronic communication, (b) as to which the Chapter has placed in effect reasonable measures to verify that the sender is the Member (in person or by proxy) or director purporting to send the transmission, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

**SECTION 10.15 SURETY BONDS.** The President, the Treasurer, the Executive Director and such other officers and agents of the Chapter as may be determined by the Board of Directors, shall give and file with the Secretary surety bonds for the faithful performance of their duties in such sums as may be fixed by the Board of Directors or as required by law. The cost of such bonds shall be paid by the Chapter.

**SECTION 10.16 DISSOLUTION.** Upon the dissolution of the Chapter, the Board of Directors shall, after paying or making adequate provision for the payment of all known debts and liabilities of the Chapter, dispose of all of the assets of the Chapter (except any assets held by the Chapter upon a valid condition requiring return, transfer, or conveyance, which condition has occurred or will occur, shall be returned, transferred or conveyed in accordance with the condition) exclusively for the purposes of the Chapter in such manner, or to such organization or organizations which are then qualified as exempt within the meaning of Section 501(c)(6) or Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) and are engaged in activities substantially similar to those of the Chapter, as the Board of Directors shall determine. Any assets not so disposed of shall be disposed of by the court of general jurisdiction of the county in which the principal office of the dissolving corporation is then located, to be used in such manner as in the judgment of such court will best accomplish the general purposes for which the dissolving corporation was organized.

**SECTION 10.17 AMENDMENTS.**

(a) Subject to the voting Members' rights under (b) and (c) below, Bylaws may be adopted, amended or repealed by the Board unless the action would:

(1) Materially and adversely affect the rights of voting Members as to voting, dissolution, redemption, or transfer;

(2) Increase or decrease the number of voting Members authorized in total or for any class;

(3) Effect an exchange, reclassification or cancellation of all or part of the voting memberships; or

(4) Authorize a new class of voting membership.

(b) Once voting Members have been admitted to the Chapter, the Board may not,

without the voting Members' approval (Corp Code §5034), specify or change any Bylaw provision that would:

- (1) Fix or change the authorized number of directors;
- (2) Fix or change the minimum or maximum number of directors, or
- (3) Change from a fixed number of directors to a variable number of directors or vice versa.

(c) Without the approval of the voting Members (Corp Code §5034), the Board may not adopt, amend, or repeal any Bylaw provision that would:

- (1) Increase or extend the terms of directors;
- (2) Allow any director to hold office by designation or selection rather than by election by the Members;
- (3) Increase the quorum for voting Members' meetings;
- (4) Repeal, restrict, create, expand, or otherwise change proxy rights; or
- (5) Authorize cumulative voting.

## **ARTICLE 11**

### **EMERGENCY PROVISIONS**

#### **SECTION 11.1 GENERAL.**

(a) The provisions of this Article 11 shall be effective only in an emergency as defined herein or, as specifically provided, in anticipation of an emergency. For purposes of this Article 11, "emergency" means any of the following events or circumstances as a result of which, and only so long as, a quorum of the Chapter's Board of Directors cannot be readily convened for action:

(1) A natural catastrophe, including, but not limited to, a hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or, regardless of cause, any fire, flood, or explosion.

(2) An attack on this state or nation by an enemy of the United States of America, or upon receipt by this state of a warning from the federal government indicating that an enemy attack is probable or imminent.

(3) An act of terrorism or other manmade disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government functions, or population, including, but not limited to, mass evacuations.

(4) A state of emergency proclaimed by the Governor or by the President of the United States.

(b) All of the non-emergency Bylaws provisions consistent with the emergency Bylaws provisions shall remain effective during the emergency, and the emergency Bylaws provisions shall not be effective after the emergency ends.

(c) In anticipation of or during an emergency, the Board may not take any action that requires the vote of the Members or is not in the Chapter's ordinary course of business, unless the required vote of the Members was obtained prior to the emergency.

(d) Any actions taken in good faith in anticipation of or during an emergency in accordance with law or the emergency Bylaws provisions bind the Chapter and may not be used to impose liability on a corporate director, officer, employee, or agent.

**SECTION 11.2 QUORUM; MANNER OF ACTING.** During an emergency, the number of Directors necessary to constitute a quorum shall be that number of Directors who are present at a Board meeting, together with one or more officers present at such meeting, in order of rank and within the same rank in order of seniority, who are deemed by the Directors present to be Directors for that Board meeting. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum, constituted as provided in the preceding sentence, is present is the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

**SECTION 11.3 NOTICE OF BOARD MEETING.** During an emergency, notice of Board meetings may be given to a Director or Directors in any practicable manner under the circumstances, including, but not limited to, by publication and radio, when notice of a meeting of the Board of Directors cannot be given to that Director or Directors in the manner prescribed by the regular Bylaws or Corp Code Section 7211.

**SECTION 11.4 ADDITIONAL ACTIONS.** In anticipation of or during an emergency, the Chapter, through its Board of Directors or a duly authorized officer, may take either or both of the following actions necessary to conduct the Chapter's ordinary business operations and affairs: (a) Modify lines of succession to accommodate the incapacity of any Director, officer, employee, or agent resulting from the emergency. (b) Relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so.

Adopted by Board of Directors on October 27, 2021.

San Diego Chapter of the Community Associations Institute  
12707 High Bluff Drive, Suite 200  
San Diego, CA 92130

**CERTIFICATE OF AMENDMENT**

I, the undersigned, do hereby certify:

1. That I am duly elected and acting Secretary of SAN DIEGO CHAPTER OF THE COMMUNITY ASSOCIATIONS INSTITUTE, a California Nonprofit Mutual Benefit Corporation and certify:
2. That the foregoing BYLAWS, comprising 29 pages, was duly adopted by the Board of Directors on October 27, 2021.

SAN DIEGO CHAPTER OF THE  
COMMUNITY ASSOCIATIONS  
INSTITUTE

By: \_\_\_\_\_

  
Tim Flanagan, Secretary