

RESTATED AND AMENDED BYLAWS
OF
SAN FRANCISCO APARTMENT ASSOCIATION,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

Article I
Name; Office; Purposes; General Provisions

1.1 *Corporate Name.* The name of this corporation is San Francisco Apartment Association.

1.2 *Principal Office.* The principal office for the transaction of the activities and affairs of this corporation is located at 265 Ivy Street, San Francisco, California in the City and County of San Francisco, California. The board of directors may change the location of the principal office. Any such change of location must be noted by the secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

The board may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

1.3 *Purpose.*

A. This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than the credit union business, for which a corporation may be organized under such law.

B. The specific and primary purpose of this corporation is to engage in business league activities consistent with Section 501(c)(6) of the Internal Revenue Code of 1986 as amended, or the corresponding provisions of any future United States internal revenue law (the "Code"), and Section 23701e of the California Revenue and Taxation Code. More specifically, the corporation shall promote the interests of those engaged in the ownership, operation, and management of residential rental property located in the City of San Francisco, California, subject to such limitations as are set forth in the Code and under the California Nonprofit Mutual Benefit Corporation Law.

C. In addition to those purposes stated in the Articles of Incorporation of the Corporation and above, the specific and primary purposes for which this Corporation is formed are:

1. To educate owners and managers, and promote the interests of the residential rental housing industry for properties situated in San Francisco, California;

2. To collectively address industry needs, interests and issues on a continuing basis;
3. To advocate and promote high professional standards and sound business practices in the best interests of the rental housing industry; and
4. To increase and improve the housing stock of San Francisco.

The purposes of this Corporation do not contemplate the distribution of gains, profits or dividends to the Members thereof, as defined below, and no Member shall have any right or interest in any property or assets of the Corporation.

1.4 *Construction; Definitions.* 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.

1.5 *Irrevocable Dedication of Assets.* This corporation’s assets are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code §501(c)(3).

1.6 *Nonvoting Members.* The corporation’s board of directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the nonvoting class or classes shall have such rights and obligations as the board finds appropriate.

Article II Membership

2.1 *Classes.* There shall be two (2) classes of members in the Corporation designated as Regular Members and Associate Members. Regular Members and Associate Members are sometimes referred to collectively as “Members.”

a. *Regular Members:* Regular Members shall be owners and professional managers of residential real property situated in the City and County of San Francisco, California. Regular Members shall have voting privileges as provided herein. Each

Regular Member shall be obligated to support both the California Apartment Association (“CAA”) and this corporation and their respective Bylaws and Code of Ethics, and to take no action adverse thereto. If the Regular Member is a legal entity, its president, general partner or managing member, as the case may be, shall be considered the Member for all purposes herein. In the event spouses or registered domestic partners apply jointly, they shall share one membership. If they apply separately, they may maintain two memberships, so long as each member independently meets the qualifications for Regular Membership. Regular Members shall have the voting rights on all matters for which a "member" as described in Corporations Code §5056 may vote, including election of directors.

b. *Associate Members:* Associate Members shall be individuals or legal entities who have an interest in the growth, preservation and expansion of the rental housing industry, but do not qualify as Regular Members. Each Associate Member shall be obligated to support both CAA and this corporation and their respective Bylaws and Code of Ethics, and to take no action adverse thereto. Except as specified herein or under California law, Associate Members shall have no voting rights.

c. *Applications:* All Members shall be solicited from within the geographical boundaries established for the corporation by the California Apartment Association ("CAA"). Applications for membership in the corporation shall be accepted only from those individuals and entities who own or manage residential rental income property or who have a rental housing industry-related business or interest.

d. *Admission:* All applications for Regular or Associate Membership shall be referred to the Board of Directors or a committee thereof. If approved, such applicants shall be admitted to membership upon approval of the Board.

2.2 *Membership Rights.* Regular Members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

2.3 *Nonvoting Members.* This corporation may refer to Associate Members as “members,” even though those persons or entities are not voting members as set forth in Section 2.1 of these bylaws, but no such reference shall constitute anyone as a member within the meaning of Corporations Code §5056 unless that person or entity shall have qualified for a voting membership under Section 2.1.a of these bylaws. References in these bylaws to “members” shall mean members as defined in Corporations Code §5056; *i.e.*, the Regular Members described in Section 2.1.a of these bylaws. By amendment of its articles of incorporation or of these bylaws, the corporation may grant some or all of the rights of a member of any class to any person or entity that does not have the right to vote on the matters specified in Section 2.1.a of these

bylaws, but no such person or entity shall be a member within the meaning of Corporations Code §5056.

2.4 Dues, Fees, and Assessments. Each member must pay, within the time and on the conditions set by the board, the dues, fees, and assessments in amounts to be fixed from time to time by the board. The dues, fees, and assessments shall be equal for all members of each class, but the board may, in its discretion, set different dues, fees, and assessments for each class.

2.5 Good Standing. Members who have paid the required dues, fees, and assessments in accordance with these bylaws and who are not suspended shall be members in good standing.

2.6 Termination of Membership. A membership shall terminate on occurrence of any of the following events:

(1) Resignation of the member;

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

(3) The member's failure to pay dues, fees, or assessments as set by the board within thirty (30) days after they are due and payable;

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

(5) Termination of membership under Section 2.10 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 corporation, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

2.7 Suspension of Membership. A member may be suspended, under Section 2.8 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 corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

A person whose membership is suspended shall not be a member during the period of suspension.

2.8 Procedure. If grounds appear to exist for suspending or terminating a member under Sections 2.6 or 2.7 of these bylaws, the following procedure shall be followed:

(1) The board shall give the member at least 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 corporation's records.

(2) The member shall be given an opportunity to be heard, either orally or in writing, at least 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.

(3) The board, committee, or person shall decide whether the member should be suspended, expelled, or sanctioned in any way. The decision of the board, committee, or person shall be final.

(4) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within 1 year after the date of the expulsion, suspension, or termination.

2.9 Transfer of Memberships. No membership or right arising from membership shall be transferred. Subject to Section 2.10.d of these bylaws, all membership rights cease on the member's death or dissolution.

2.10 Termination of Memberships.

The membership of a Member shall terminate upon the occurrence of any of the following events:

(a) Upon a failure to renew his or her or its membership by paying dues on or before the applicable due date. Such termination shall be effective thirty (30) days after a written notice of delinquency is personally delivered, mailed or electronically transmitted by the Secretary of the Corporation to such Member. The notice shall be deemed received upon personal delivery, three days after deposit in U.S. Mail (properly addressed and prepaid), or upon transmission to such facsimile number or e-mail address of the Member, as shown on the records of the Corporation. A Member may avoid such termination by paying the amount of the delinquent dues in full within the thirty-day period following the Member's receipt of the Corporation's written notice of delinquency.

(b) Upon a Member's failure to pay the Corporation for other amounts owed to the Corporation for services as detailed in Section 2.4, herein.

(c) Upon expulsion of a Member, as provided by 2.8(3) and under the referenced portions of the California Nonprofit Mutual Benefit Corporation Law. Any Member so

expelled from the Corporation shall be entitled to receive a refund of unearned dues already paid. The refund shall be prorated to return that portion of the current year's dues equal to the fraction of months remaining, divided by 12, of the year for which dues were paid, times the amount of that year's dues. The proportionate refund shall be offset and reduced for any amounts owed to the Corporation by the Member.

(d) Upon the death or resignation of a Member or dissolution, permanent cessation of business, or liquidation of an entity Member.

Article III Meetings of the Members

3.1 *Meetings; Procedure*

(a) *Annual Meeting*: An annual meeting of members shall be held during the fourth quarter of the calendar year at such time and place, and on such notice as the board may determine. Unless elected by written ballot, directors shall be elected at this meeting. Subject to Section 3.7 of these bylaws, any other proper business may be transacted at this meeting.

(b) *Regular Meeting*. Regular meetings of the members shall be held periodically, according to a schedule established by the board of directors. The board shall publish the schedule to the members regularly, and shall give notice of any changes or revisions to the schedule by giving written notice as provided in this bylaws. The board shall set the location of regular meetings. Notice of a Regular meeting is not required to be given unless the meeting is scheduled for a day, time or location that differs from the most recently published schedule.

The President, or his or her designee, shall preside over the meetings of the members. The meetings shall be conducted according to parliamentary procedure as set forth in the Eleventh Edition-2011 of Roberts Rules of Order and using the same form of agenda used by the board of directors.

3.2 *Location of Meetings*. Meetings of the 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 corporation's principal office. The board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

3.3 *Authority for Electronic Meetings*. If authorized by the board in its sole discretion, and subject to the requirements of consent in Corporations Code §20(b) and guidelines and

procedures the board may adopt, 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 corporation 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 corporation or by electronic video screen communication, subject to the requirements of these bylaws.

3.4 Requirements for Electronic Meetings. A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication (1) if the corporation implements reasonable measures to provide 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 corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Corporations Code §20(b) for consent to conduct a meeting of members by electronic transmission by and to the corporation shall include a notice that absent consent of the member pursuant to Corporations Code §20(b), the meeting shall be held at a physical location in accordance with Section 3.2 of these bylaws and consistent with California Corporations Code §7510(f).

3.5 Special Meetings. The board or the chair of the board, if any, or the president, or 5 percent or more of the Regular Members, may call a special meeting of the members for any lawful purpose at any time.

3.6 Special Meeting Call and Notice. A special meeting called by any person entitled to call a meeting of the members shall be called by written request, specifying the general nature of the business proposed to be transacted, and addressed to the attention of and submitted to the chair of the board, if any, or the president or any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, under Section 3.7-3.9 of these bylaws, stating that a meeting will be held at a specified time and date fixed by the board.

However, the meeting date shall be at least 35 but no more than 90 days after receipt of the request.

If the notice is not given within 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.

3.7 Written Notice Required. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, under Sections 3.8-3.10 of these bylaws, to each member entitled to vote (i.e., each Regular Member) at that meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. 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.

3.8 Notice of Certain Agenda Items. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (1) Removing a director without cause;
 - (2) Filling vacancies on the board;
 - (3) Amending the articles of incorporation; or
 - (4) Electing to wind up and dissolve the corporation.
- (5) Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest; or
- (6) Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when the corporation is in the process of winding up.

3.9 Notice Requirements. Notice of any meeting of members shall be in writing and shall be given at least 10 but no more than 90 days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation, 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 corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation'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 electronic or other written communication to the corporation'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.

3.10 *Electronic Notice.* Notice given by electronic transmission by the corporation shall be valid only if

(1) Delivered by (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (b) posting on an electronic message board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (c) other means of electronic communication;

(2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing,

(i) An electronic transmission by this corporation to 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 in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

(ii) Notice shall not be given by electronic transmission by the corporation after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means or (b) the inability so to 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.

3.11 *Affidavit of Mailing.* 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, assistant secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.

3.12 *Quorum.* Twenty-Five percent (25%) of the voting power shall constitute a quorum for the transaction of business at any meeting of members.

If, however, the attendance at any general or annual meeting, whether in person or by proxy, is less than one-third of the voting power, the members may vote only on matters as to which notice of their general nature was given under Section 3.8 of these bylaws.

Except as otherwise required by law, the articles, or 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.

3.13 *Eligibility to Vote.* Subject to the California Nonprofit Mutual Benefit Corporation Law, Regular Members in good standing on the record date as determined under Sections 2.1.a and 2.3 of these bylaws shall be entitled to vote at any meeting of members.

3.14 *Manner of Voting.* Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

3.15 *Number of Votes.* Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

3.16 *Majority Approval.* If a quorum is present in person or by proxy, 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 Corporation Law or by the articles of incorporation.

3.17 *Waiver of Notice or Consent.* 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 (1) a quorum of Regular Members is present either in person or by proxy, and (2) either before or after the meeting, each such 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. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Section 3.8 of these bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A Regular 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.

3.18 *Action by Unanimous Written Consent.* Any action required or permitted to be taken by the members may be taken without a meeting if all Regular Members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the voting members.

3.19 *Action by Written Ballot.* Any action that Regular Members may take at any meeting of members may also be taken without a meeting by complying with Sections 3.7-3.10 of these bylaws.

3.20 *Solicitation of Ballots.* This corporation shall distribute one written ballot to each Regular Member entitled to vote on the matter. The ballot and any related material may be sent by electronic transmission by the corporation, and responses may be returned to the corporation by electronic transmission that meets the requirements of Section 3.10 of these bylaws. 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 (1) set forth the proposed action; (2) give the members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballot to the corporation.

If the corporation has 100 or more members, any written ballot distributed to ten or more Regular 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.

In any election of directors, a written ballot that a Regular 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.

3.21 *Approval Requirements.* Approval by written ballot shall be valid only when (1) 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 of Regular Members required to be present at a meeting authorizing the action, and (2) 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.

3.22 *Written Ballots Are Irrevocable.* A written ballot may not be revoked.

3.23 *Filing Ballots.* All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least two (2) years.

3.24 *Record Date May be Fixed by Board.* For purposes of establishing the Regular 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.

3.25 *Record Date if Not Otherwise Fixed by Board.* If not otherwise fixed by the board, the record date for determining Regular Members entitled to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held. If not otherwise fixed by the board, 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 board, the record date for determining Regular 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 Regular 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.

For purposes of Sections 3.24 and 3.25 of these bylaws, a person holding a Regular Membership at the close of business on the record date shall be a member of record.

3.26 *Proxies.* Each Regular 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 member and filed with the secretary of the corporation. 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, electronic signature, or otherwise.

3.27 *Solicited Proxies.* If the corporation has 100 or more Regular 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.

3.28 *Subject Matter of Proxy to Be Stated.* Any revocable proxy covering matters for which a vote of the Regular 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 corporation’s activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or transactions between the corporation and one or more directors or between the corporation 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 corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes.

3.29 *Expiration and Revocability of Proxies.* No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be 3 years after the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Corporations 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 corporation stating that the proxy is revoked, (b) by a subsequent proxy executed by that member and presented to the meeting, or (c) 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 corporation before the vote under the proxy is counted.

3.30 *Adjournment; Notice.* Any members’ meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Regular Members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 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 corporation 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 Regular Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

Article IV Directors

4.1 *General Powers of Board.* 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 corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board. (*See, Exhibit A, California Corporations Code Section 7231-Performance of Duties; Duty of Care*)

4.2 *Specific Powers of Board.* Without prejudice to the general powers set forth in Section 4.1 of these bylaws, but subject to the same limitations, the board shall have the power to do the following:

(1) Appoint and remove, at the pleasure of the board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; and supervise, through the Executive Director, employees and fix employee compensation; create and adopt budgets and strategic plans.

(2) Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of members.

(3) Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

(4) Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates;

(5) Appoint representatives from time to time to represent the corporation at California Apartment Association meetings; and

(6) Adopt, maintain, enforce, modify and revise various policies applicable to the membership and operations, including but not limited to a Code of Ethics, and policies concerning (i) whistleblower protection, (ii) document retention and destruction, and (iii) disclosure of conflicts of interest.

4.3 Number and Qualifications of Directors; Term of Office.

(a) The board of directors shall consist of **at least 11 but no more than 15** directors unless changed by amendment to these bylaws. The **exact** number of directors shall be **fixed, within those limits, by a resolution adopted by the board of directors.**

(b) The qualifications for directors are:

i. A Director must be a Regular Member in good standing, or if acting as a representative of a Regular Member that is an entity, the entity must be a Member in good standing and the Director is an authorized representative of the Member;

ii. A Director shall not have failed to attend 3 or more noticed meetings of the Board of Directors each year, without good cause shown therefore, as established in the reasonable judgment of the Executive Committee; and

iii. A Director shall have attended each Members' meeting (whether annual, regular or special) held during the Director's term of office at which Directors are elected and/or where Members vote on matters described in Article III, above, unless such Director has been excused by the President or Executive Committee on good cause shown, as determined in their reasonable judgment.

(c) Each Director shall hold office for three (3) years; provided, however, that the board may, in its reasonable discretion, stagger the terms of Directors by establishing terms of less than three (3) years for a portion of the board until approximately one-third of the authorized number of Directors are elected at each Annual Meeting. No amendment of the Articles of Incorporation or these Bylaws may extend the term of a Director beyond that for which the Director was elected, nor may any Bylaw provision increasing the terms of Directors be adopted without approval of the Regular Members. Each Director shall be elected to serve until their respective term expires as specified herein, and until his or her successor is elected and qualified. No more than one-third of the terms of all Directors in office should expire in any single year.

No Director may serve for more than three (3) full consecutive three-year terms (i.e., nine consecutive years). For purposes of this term limit, time served as a Director designated to fill a vacancy shall not be counted.

4.4 *Nominations by Committee.* A Nominating Committee shall be established by the board of directors according to the provisions of Article V, Section 5.3. The nominating committee shall make its report by August 31 prior to the date of the election, or at such other time as the board may set, and the secretary shall forward to each member, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.

4.5 *Nominations by Members.* Regular Members representing 2 percent of the voting power may nominate candidates for directors by petition. The petition must be signed by those members within 11 months preceding the next time directors are to be elected, and delivered to an officer of the corporation. On timely receipt of the petition signed by the required number of Regular Members, the secretary shall cause the names of the candidates named on it to be placed on the ballot along with the names of the candidates chosen by the nominating committee.

4.6 *Floor Nominations.* When a meeting is held for the election of directors, any Regular Member present at the meeting in person or by proxy may place names in nomination.

4.7 *Nominee's Right to Solicit Votes.* The board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to Regular Members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

4.8 *Use of Corporate Funds.* If more people have been nominated for director than can be elected, no corporate funds may be expended to support a nominee without the board's authorization.

4.9 *Vacancies on Board.* A vacancy or vacancies on the board of directors shall occur in the event of (1) the death, removal, or resignation of any director; *provided, however, that a director who was designated as a director, rather than elected by the members, may be removed by the person or persons who designated that director and may not be removed without the written consent of that person or persons;* (2) the declaration by board resolution of a vacancy in the office of a director who has been declared of unsound mind by a court order, convicted of a felony, or, if the corporation holds assets in charitable trust, found by a final order or judgment of any court to have breached a duty arising under Corporations Code §7238; (3) the vote of the Regular Members or, if the corporation has fewer than 50 members, the vote of a majority of all Regular Members, to remove any director(s); (4) an increase in the authorized number of directors; or (5) a failure of the Regular Members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

4.10 *Resignation of Directors.* Except as provided below, any director may resign by giving written notice to the chair of the board, if any, or to the president or the secretary of the board.

The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective.

4.11 *Removal of Directors.* If the corporation has no Regular Members, any director may be removed, with or without cause, by the vote of the majority of the members of the entire board of directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given as provided in Section 4.18. However, a director who was designated as a director rather than elected by the members may be removed without cause by the person or persons who designated that director, and may not be removed without the written consent of that person or persons. Any vacancy caused by the removal of a director shall be filled as provided in Section 4.12.

Any director who does not attend three successive board meetings will automatically be removed from the board without board resolution unless:

(a) The director requests a leave of absence for a limited period of time, and the leave is approved by the directors at a regular or special meeting. If such leave is granted, the number of board members will be reduced by one in determining whether a quorum is or is not present;

(b) The director suffers from an illness or disability which prevents him or her from attending meetings and the board by resolution waives the automatic removal procedure of this subsection; or

(c) The board by resolution of the majority of board members agrees to reinstate the director who has missed three meetings.

4.12 *Vacancies Filled by Board.* Except for a vacancy created by the removal of a director by the 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 Corporations Code §7211, or (3) a sole remaining director.

4.13 *Vacancies Filled by Members.* The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

Any reduction of the authorized number of directors shall not result in any director's being removed before his or her term of office expires.

4.14 *Location of Board Meetings; Conduct of Meetings.* Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

a. Meetings of the Board of Directors shall be presided by the president of the corporation or, in his or her absence, by the vice president of the corporation or, in the absence of each of these persons, assuming a quorum is present, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

b. Any Member in good standing shall have the right to attend Board meetings (except executive sessions for handling personnel matters, threatened or actual litigation, and/or where the Directors are considering confidential business matters and trade secrets, the disclosure of which could adversely affect the interests of the corporation and/or its Members) and shall contact the Executive Director to obtain information regarding the same.

4.15 *Meetings by Telecommunication.* Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

(1) Each member participating in the meeting can communicate concurrently with all other members.

(2) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

4.16 *Annual Meeting of Board; General Meetings of Board.* Immediately after each annual meeting of members, the board shall hold a general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required.

Other general meetings of the board may be held without notice at such time and place as the board may fix from time to time, provided that such time/place is set forth in a schedule published to the members of the board of directors in advance.

4.17 *Special Meetings.* Special meetings of the board for any purpose may be called at any time by the chair of the board, if any, the president or any vice president, the secretary, or any two directors.

4.18 *Notice of Special Meetings.* Notice of the time and place of special meetings shall be given to each director by (1) personal delivery of written notice; (2) first-class mail, postage

prepaid; (3) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (4) facsimile; (5) electronic mail; or (6) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records.

Notices sent by first-class mail shall be deposited in the United States mails at least 4 days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.

The notice shall state the time of the meeting and the place if the place is other than the corporation's principal office. The notice need not specify the purpose of the meeting.

4.19 *Quorum; Conduct and Order of Business.*

(a) A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. *For purposes of illustration, if the authorized number is 11, a quorum would be 6 directors. If the authorized number is 14 directors, a quorum would be 8 directors.* Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, the provisions on (1) approval of contracts or transactions between this corporation and one or more directors or between this corporation and any entity in which a director has a material financial interest, (2) creation of and appointments to committees of the board, and (3) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

(b) Meetings shall be conducted following parliamentary procedures in accordance with the Eleventh Edition – 2011 of Roberts Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with provisions of California law.

(c) The following order of business shall be observed at meetings of the board (and of the general membership at meetings of the members):

- i. Adoption of minutes from previous meeting;
- ii. Report of Treasurer;
- iii. Report from President;
- iv. Report of Executive Director;

- v. Report from Committees, if any;
- vi. Applications for Membership (Board meetings only);
- vii. Unfinished Business;
- viii. New Business; and
- ix. Other matters as necessary and permitted by these Bylaws.

Where there is a special order of business or election of officers or directors or proceedings on appeal or recall, or for any legitimate purpose that may come before the board, the president shall have the authority to change the above order of business to facilitate the proceedings and purpose of the meeting.

4.20 *Waiver of Notice.* Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

4.21 *Adjournment.* A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

4.22 *Notice of Adjourned Meeting.* Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

4.23 *Board Action Without Meeting.* An action required or permitted to be taken by the board may be taken without a meeting if all directors individually or collectively consent in writing to that action and if, subject to Corporations Code §7224(a), the number of directors then in office constitutes a quorum. The written 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 a unanimous vote of the directors. For purposes of Corporations Code §7211(b) only, “all directors” does not include an “interested director” as defined in Corporations Code §7233(a) or a common director as described in Corporations Code §7233(b) who abstains in writing from providing consent, when (i) the facts described in Corporations Code §5233(d)(1) or (d)(2) are established or the provisions of Corporations Code §7233(a) or (b) are satisfied, as appropriate, at or before the execution of the written consent or consents; (ii) the establishment of those facts or satisfaction of those provisions is included in the written consent or consents executed by the noninterested or noncommon directors or in other records of the corporation; and (iii) the

noninterested or noncommon directors approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

4.24 *Director Compensation.* Directors and members of committees of the board are volunteers, and may not receive such compensation, if any, for their services as directors or officers, but may receive such reimbursement of expenses incurred in performing volunteer service to the board, as the board may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

4.25 *Director Voting.* Each director shall have one vote on each matter presented to the board of directors for action. *No director may vote by proxy.* Director's meeting *may not* be conducted via email.

4.26 *Nonliability.* Except as provided by the California Nonprofit Mutual Benefit Corporation Law, there is no monetary liability on the part of any volunteer director or officer based on such person's alleged failure to discharge his or her duties as a director or officer if the duties are performed in a manner that meets all of the statutory, [See, attached Exhibit C - Cal Corp. Code Sec.7231.5] including the following:

- a. The duties are performed in good faith;
- b. The duties are performed in a manner such director or officer believes to be in the best interests of the corporation;
- c. The duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Article V Committees

5.1 *Board Committees.* The board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the *directors then in office.* The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the board, to the extent provided in the board resolution, except that no committee may do the following:

- (1) Take any final action on any matter that, under the California Nonprofit *Mutual Benefit* Corporation Law, also requires approval of the voting members or approval of a majority of all members;

- (2) Fill vacancies on the board or any committee of the board;
- (3) Fix compensation of the directors for serving on the board or on any committee;
- (4) Amend or repeal bylaws or adopt new bylaws;
- (5) Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable; *or*
- (6) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected;
- (7) Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code §5233(d)(3).
- (8) With respect to any assets held in charitable trust, approve any contract or transaction between this corporation and one or more of its directors or between this corporation and an entity in which one or more of its directors have a material financial interest, subject to the approval provisions of Corporations Code §5233(d)(3).

5.2 *Executive Committee.* The offices of president, vice-president, secretary and treasurer shall constitute the executive committee of the board. Additionally, the president may, in his or her sole discretion, appoint up to three (3) other directors to serve on the executive committee. The executive committee, unless limited by a resolution of the board, shall have and may exercise all the authority of the board in the management of the business and affairs of the corporation between meetings of the board; provided, however, that the executive committee shall not have the authority of the board in reference to those matters enumerated in Section 5.1.

All actions of the executive committee shall be reported to and ratified by the full board at the next duly scheduled board meeting. By the vote of a majority of directors then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease (but not below 2 members) the number of its members, and fill vacancies therein from members of the board.

5.3 *Nominating Committee; Nominations.*

(a) On or before August 31 in each year the president shall appoint a nominating committee consisting of three (3) or five (5) Regular Members who may or may not be directors. The president shall designate a chairperson among them. the purpose of the nominating committee shall be to develop a recommended slate of directors for the board and the voting members at the Annual Meeting.

(b) the nominating committee shall evaluate among other criteria, the past attendance record of the prospective nominee at board meetings, if a previous board member, along with the involvement, commitment, and effectiveness of the individual as Regular Member of the corporation. The chairperson shall determine whether to conduct interviews, review written documentation from the applicants regarding their qualifications, or whether any other reasonable determination for evaluation shall be used.

(c) The committee shall not be limited in its selection of nominees to those persons submitting applications, but may consider and/or interview persons proposed by the committee or other Regular Members. However, any person so nominated must be a voting Regular Member of the corporation in good standing.

(d) Nominations for directors of the corporation may be made by Regular Members from the floor at the regular meeting of the board preceding the annual meeting of the Members.

(e) The chairperson of the Nominating Committee shall deliver the report of the committee to the president for timely communication to the voting members, but at least twenty (20) days prior to the annual meeting.

(f) The president shall thereafter communicate the report of the nominating committee to the membership, at least ten (10) days prior to the annual meeting of the members.

(g) At the annual meeting of the members, the chairperson of the nominating committee shall nominate the recommended slate of directors from the floor. thereafter, the required number of directors shall be elected from the candidates nominated by the nominating committee and any candidate nominated in accordance with subsection (h), below.

(h) However, notwithstanding the foregoing subsection (g), any regular member eligible to vote may nominate another, or himself or herself from the floor at the regular meeting prior to the annual meeting, so long as such candidate meets the qualifications for directors set forth above. Such nomination shall be seconded by a regular member in good standing. It shall be the responsibility of the Executive Director to certify at such meeting that the party nominated meets all minimum standards as set forth above. If the nominee does not, his or her name will be withdrawn and not considered further. However, if so nominated, seconded, and qualified, the nominee's name shall be added to the ballot for the applicable position.

5.4 *Committee Meetings.* Meetings and actions of committees of the board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other board actions, except that the time for general meetings of board committees and the calling of special meetings of board committees may be set either by board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate

records. The board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the board has not adopted rules, the committee may do so.

5.4 *Other Committees.* The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board, although they shall have the authority to carry out directives from the board not in conflict with these bylaws.

Article VI Officers

6.1 *Officers.* The officers of this corporation shall be a president, a secretary, and a chief financial officer, who shall be the treasurer. The corporation, at the board's discretion, may also have a chair of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Section 6.3 of these bylaws. Officers shall be members of the board of directors, and may be elected at the meetings of the Regular Members. Officers not elected by the Regular Members or appointed by the board to fill a vacancy will be elected in accordance with Section 6.3 of these bylaws.

6.2 *Qualification of Offices; Term of Office.*

(a) Any Regular Member in good-standing of the corporation may serve as an officer of this corporation, so long as they are currently members in good standing of the board of directors. Officers shall be elected immediately after annual meeting at which directors are elected, or alternatively, as soon thereafter as possible by the board of directors according to Section 6.3. Each officer, shall each serve until his or her successor shall be nominated and elected for the following terms of office:

President: three (3) years

Vice president: three (3) years

All other officers: one (1) year

However, if an officer resigns or is removed or is otherwise disqualified to serve, the term shall immediately expire.

b. No person may hold the offices of president, vice-president or chairperson of the board (if any) for more than two (2) consecutive three-year terms, unless approved to do so by the approval of a two-thirds (2/3) majority of a quorum of the Board; provided however that no officer other than the president and vice president may serve in the same office for more than three consecutive one-year terms unless approved to do so by a two-thirds (2/3) majority of a quorum of the board.

6.3 Additional Officers; Officers not Elected at Annual Meeting.

(a) The board may appoint and authorize the chair of the board, the president, or another officer to appoint any other officers that the corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the board.

(b) If any officer described in section 6.1 is not elected at the annual meeting of the voting members as provided for herein, then officers shall be elected by the board of directors at the first regular board meeting following the election of the directors. The election of officers shall be approved by a majority of the then authorized number of directors. In the event there is not a majority vote, the board shall deliberate and re-vote until such time as a majority agrees on the appointment of officers.

6.4 Removal of Officers. Without prejudice to the rights of any officer under an employment contract, the board may remove any officer with or without cause. An officer who was not chosen by the board may be removed by any other officer on whom the board confers the power of removal.

6.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

6.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointments to that office. However, vacancies need not be filled on an annual basis.

6.7 Responsibilities of Board Chair. If a chair of the board of directors is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chair of the board shall also be the chief executive officer and shall have the powers and duties of the president of the corporation set forth in these bylaws.

6.8 Responsibilities of President. Subject to such supervisory powers as the board may give to the chair of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. The president shall preside at all members' meetings and, in the absence of the chair of the board, or if none, at all board meetings. The president shall have such other powers and duties as the board or the bylaws may require.

6.9 Responsibilities of Vice Presidents. If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a vice president designated by the board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and duties as the board or the bylaws may require.

6.10 Responsibilities of Secretary. The secretary shall keep or cause to be kept at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at board and committee meetings; and the number of members present or represented at members' meetings.

The secretary shall keep or cause to be kept at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The secretary shall keep or cause to be kept at the corporation's principal office or at a place determined by resolution of the board, a record of the corporation's members, showing each member's name, address, and class of membership.

The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may require.

6.11 Responsibilities of Chief Financial Officer. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The chief financial officer shall send or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

The chief financial officer shall (1) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate; (2) disburse the corporation's funds as the board may order; (3) render to the president, chair of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation; and (4) have such other powers and perform such other duties as the board or the bylaws may require.

If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the

duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

6.12 *Appointment and Duties of Executive Director*

(a) The Board shall interview and appoint, by a majority vote, an Executive Director who shall serve at the pleasure of the board. The Executive Director shall report to and serve directly under the president and shall manage, direct, conduct and execute the business of the corporation for the purposes specified in these bylaws.

(b) The Executive Director shall be a full-time employee of the corporation and shall keep the executive committee, board and general membership fully advised of all activities and matters which are important to the corporation. The Executive Director shall attend meetings of the board of directors, but not the executive committee, and shall have no voting rights.

(c) The salary of the Executive Director shall be set by approval of a two-thirds majority vote of the board members then in office.

Article VII Records; inspection rights

7.1 *Corporate Records.* This corporation shall keep the following:

- (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 each member's name, address, and class of membership.

The 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 two.

7.2 *Members' Inspection Rights.* Unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(1) Inspect and copy the records containing members' names, addresses, and voting rights during usual business hours on 5 days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or

(2) Obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of 10 days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within 10 business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. This right of inspection extends to the records of any subsidiary of the corporation.

7.3 Inspection of Accounting Records and Minutes. On written demand on the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the board of directors, and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

7.4 Inspection of Articles and Bylaws. This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, that shall be open to inspection by the members at all reasonable times during office hours.

7.5 Directors' Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, and documents of every kind, and to inspect the physical properties of the corporation. The inspection may be made in person or by

the director's agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind.

Article VIII
Annual Report; Annual Statement; Emergencies

8.1 *Annual Report.* The board shall cause an annual report to be prepared within 120 days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail:

(1) A balance sheet as of the end of the fiscal year, an income statement, and a statement of cash flows for the fiscal year, accompanied by an independent accountant's report or, if none, by the certificate of an authorized officer of the corporation that they were prepared without audit from the corporation's books and records;

(2) A statement of the place where the names and addresses of current members are located; and

(3) Any information required by Section 8.2 of these bylaws.

This corporation shall annually notify each member of the member's right to receive a copy of the financial report under this Section. Except as provided in the next paragraph of this bylaw, on written request by a member, the board shall promptly cause the most recent annual report to be sent to the requesting member. If the board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

This Section shall not apply if the corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

8.2 *Annual Statement.* As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall annually prepare and mail, deliver, or send by electronic transmission to its members and furnish to its directors a statement of any transaction or indemnification of the following kinds within 120 days after the end of the corporation's fiscal year:

(1) Unless approved by members under Corporations Code §7233(a), any transaction (a) to which the corporation, its parent, or its subsidiary was a party, (b) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (c) in which either of the following interested

persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

(i) Any director or officer of the corporation, its parent, or its subsidiary;

(ii) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, except that, in a partnership in which such person is a partner, only the partnership interest need be stated.

(2) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Sections 8.1 and 8.2 of these bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the members under Corporations Code §5034, or the loan or guaranty is not subject to Corporations Code §7235(a).

8.3 *Emergency.* The emergency bylaw provisions of this section are adopted in accordance with Corporations Code §7151(g). Notwithstanding anything to the contrary herein, this section applies solely during an Emergency, which is the limited period of time during which a quorum cannot be readily convened for action as a result of the following events or circumstances until the event or circumstance has subsided or ended and a quorum can be readily convened in accordance with the notice and quorum requirements in Sections 4.18 and 4.19 of these bylaws:

(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 on 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 man-made disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government function, or population, including, but not limited to, mass evacuations;

(4) A pandemic or epidemic proclaimed by the Public Health authorities of the City and County of San Francisco; or

(5) A state of emergency proclaimed by the governor of the state in which one or more Directors are resident, or by the President of the United States.

8.4 *Emergency Actions.* During an emergency, the board may

(1) Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent resulting from the emergency;

(2) Relocate the principal office or authorize the officers to do so;

(3) Give notice 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 cannot be given to that director or directors in the manner prescribed by Section 4.18 of these bylaws; and

(4) Deem that one or more officers present at a board meeting is a director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

During an emergency, the board may not take any action that requires the vote of the members or otherwise is not in the corporation's ordinary course of business unless the required vote of the members was obtained before the emergency. Any actions taken in good faith during an emergency under this section may not be used to impose liability on a director, officer, employee, or agent.

Article IX

Execution of Instruments; Deposits and Funds

9.1 *Execution of Instruments.* Except as otherwise provided in these bylaws or under any applicable law or statutes, the board of directors may by resolution authorize any officer, agent or employee of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for money for any purpose or in any amount.

9.2 *Checks and Notes.* Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, all checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer, president or Executive Director, so long as the amount of the check or note is less than Ten Thousand Dollars (\$10,000). In the event the amount of the check or note is \$10,000 or more, then it must be signed by any two of the above-named individuals.

9.3 *Deposits.* All funds of the corporation shall be deposited from time to time to the credit of the corporation in a bank, savings and loan, or other federally insured depository as the board of directors may select.

9.4 *Gifts.* The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for stated purposes of this corporation. A charitable contribution, gift, bequest, or devise that is accepted by the corporation for a proper corporate purpose shall be held and accounted for, subject to any additional requirements of the donor or settler, separate from the corporation's general funds. The board of directors shall establish written policies and procedures for the use and investment of any funds held in charitable trust, subject to the requirements of the donor or settler, these bylaws, and provisions of applicable law.

9.5 *Fiscal Year.* The fiscal year of the corporation shall begin on the first day of each calendar year and end on the last day of the calendar year.

Article X Transactions with Officers and Directors; Indemnification

10.1 *Contracts and Transactions with Directors.* No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this corporation unless (1) the material facts as to the transaction and such director's interest are fully disclosed or known to the Regular Members and such contract or transaction is approved by such members in good faith, with any membership owned by any interested director not being entitled to vote thereon, or (2) the material facts regarding such director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes or are known to all board members before consideration by the board of such contract or transaction, and such contract or transaction is authorized in good faith by a majority of the board by a vote sufficient for that purpose without counting the vote of the interested director.

This Section does not apply to a transaction that is part of a public or charitable program of this corporation if it (1) is approved or authorized by the corporation in good faith and without unjustified favoritism and (2) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the public or charitable program of this corporation. (See Exhibit B - California Corporations Code Section 7233-Transactions With Interested Directors.)

10.2 *Loans to Directors and Officers.* This corporation shall not lend any money or property to, or guarantee the obligation of, any director or officer of the corporation unless (1) the board decides that the loan or guaranty may reasonably be expected to benefit the corporation, and (2) before consummating the transaction or any part of it, the loan or guaranty is approved by either the Regular Members, without counting the vote of the director or officer, if a member, or the vote of a majority of the directors then in office, without counting the vote of the director who is to receive the loan or guaranty.

10.3 *Indemnification.* To the fullest extent permitted by law, this corporation shall indemnify its directors and officers, and may indemnify employees and other persons described in Corporations Code 7237(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the board by any person seeking indemnification under Corporations Code §7237(b) or 7237(c), the board shall promptly decide under Corporations Code §7237(e) whether the applicable standard of conduct set forth in Corporations Code §7237(b) or §7237(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification, because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of Regular Members. At that meeting, the members shall determine under Corporations Code §7237(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under the Articles of Incorporation or Section 10.3 of these bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

10.4 *Insurance.* This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer’s, director’s, employee’s, or agent’s status as such.

Article 11
Amendment

11.1. *Amendment of Bylaws.* Subject to any provision of law applicable to the amendment of bylaws of mutual benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted as follows:

(a) By approval of the board of directors, unless the bylaw amendment would materially and adversely affect the rights, preferences or restrictions or conditions of a class of members as to voting, dissolution, redemption, or transfer. However, a bylaw specifying or changing the fixed number of directors of the corporation or the maximum or minimum number of directors, may be adopted, amended, or repealed only as provided for in subparagraph (b) of this Section 11.1; or

b. By approval of a majority of the voting Members (as provided for in Article II, Section 2.1.a), whether present in person or by proxy, of this corporation at any noticed meeting of the members.

11.2 *Amendment of Articles of Incorporation.* Amendment of the articles of incorporation of the corporation may be adopted by the approval of the board of directors and by the approval of the voting members of this corporation. For purposes of this bylaw, "approval" means a majority of those voting at a directors' meeting or at a members' meeting, as applicable, where a quorum is present by such means as are permitted under these bylaws.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of San Francisco Apartment Association, a California nonprofit mutual benefit corporation; that these Restated and Amended Bylaws, consisting of 35 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on _____, 2022 and by the Members at the Annual Meeting held on _____, 2022; and that these Bylaws have not been amended and modified since that date.

Executed on _____, 2022 at San Francisco, California.

(signature)

Name: _____

Title: Secretary