

**BYLAWS
OF
SAN FRANCISCO APARTMENT ASSOCIATION
A CALIFORNIA NONPROFIT
MUTUAL BENEFIT CORPORATION**

As Adopted: December 27, 1957
As Amended: May 15, 1962
As Amended: December 19, 1988
As Amended: March 18, 1992
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ARTICLE 1
NAME AND OFFICES

SECTION 1. NAME

The name of this organization is the San Francisco Apartment Association. This organization is incorporated as a nonprofit mutual benefit association under the laws of the State of California (hereinafter referred to as “Corporation” or “SFAA”).

SECTION 2. PRINCIPAL OFFICE

The principal office of the Corporation for the transaction for the activities and affairs of the Corporation shall be located within the City and County of San Francisco, California at such address or addresses as the Board of Directors may determine from time to time.

SECTION 3. CHANGE OF ADDRESS

The county of the Corporation's principal office may be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by duly authorized action taken at a properly called meeting or by unanimous written consent.

SECTION 4. COMPLIANCE WITH FEDERAL, STATE, and LOCAL LAWS

It is the express intent of the Corporation in conducting any and all of its affairs to fully comply with all applicable statutes and any federal, state and local laws or ordinances by which it is bound, including but not limited to the California Nonprofit Corporation Law.

ARTICLE 2
PURPOSES

SECTION 1. OBJECTIVES AND PURPOSES

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

1. To provide a wide range of specialized services and activities to individuals and entities operating within the rental housing industry.
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.
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.

ARTICLE 3
MEMBERSHIP

SECTION 1. MEMBERSHIP CLASSES

There shall be two (2) classes of members in the Association 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 residential rental property owners and management companies. Regular Members shall have voting privileges as provided herein. Each Regular Member shall be obligated to support both the California Apartment Association (“CAA”) and SFAA 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, generally. Regular Members shall have the voting rights specified in Article 4, Section 8.
- 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 SFAA and their respective Bylaws and Code of Ethics, and to take no action adverse thereto. Except as specified herein, Associate Members shall have no voting rights. Even though Associate Members are not voting members as set forth in subsection a., above, no reference to Associate Members as “members” shall constitute them as a voting member within the meaning of California Corporations Code Section 5056 unless that person or entity shall have qualified for a voting membership under subsection a., above. By amendment of the 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 matters specified in subsection a., above.

SECTION 2. APPLICATIONS.

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

SECTION 3. TERMS & CONDITIONS OF MEMBERSHIP

All Members (Regular and Associate) shall be admitted to membership in the Association upon such terms, conditions and qualifications as shall, from time to time, be established by the Board of Directors. There shall be no limit on the number of Members of any type. No person or entity may hold more than one Membership.

SECTION 4. 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 a majority of the Board.

SECTION 5. MEMBERSHIP APPLICATION

The application fee, and the dues and the manner and time of payment thereof for each kind of Membership shall be fixed from time to time by the Board of Directors.

SECTION 6. DUES

Unless otherwise determined by the Board of Directors, all Member dues shall be payable annually in advance, and all charges for membership services shall be due within thirty days of submission of an invoice. The Executive Director may, in the reasonable exercise of his or her judgment, accept dues and payments for charges on an installment basis without the approval of the Board, so long as the installments do not extend beyond one year and so long as the agreement is in writing.

SECTION 7. DUES DELINQUENCIES

The Board of Directors shall adopt and promulgate a dues and services delinquency policy from time to time.

SECTION 8. MEMBERSHIP OBLIGATIONS

All members, whatever type, are obligated to support the Corporation and its Bylaws and Code of Ethics and to support the CAA and its mission and Code of Ethics, and to take no adverse action against any of the aforementioned.

SECTION 9. NON-LIABILITY OF MEMBERS

No Member of the Corporation, as such, shall be personally liable for the debts, liabilities or obligations of the Corporation.

SECTION 10. NON-TRANSFERABILITY OF MEMBERSHIP

No Member may transfer a membership or any right arising therefrom, except as provided for herein. All membership rights cease on the Member's death or dissolution.

SECTION 11. MEMBERSHIP BOOK

- a. The Corporation shall keep a membership book, which may be in electronic form (together with a complete and accurate tangible backup record), containing the name, mailing address, phone number and facsimile number (if any) and membership category of each Member. Termination of the membership of any Member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the Corporation's principal office and shall be available for inspection by any Director or Member of the Corporation during regular business hours.
- b. The record of names and addresses of the Members of this Corporation shall constitute the membership list of this Corporation and shall not be used, in whole or in part, by any person for any purpose not reasonably related to a Member's interest as a member.

SECTION 12. TERMINATION OF MEMBERSHIP

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 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. Such 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 said 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 dues or membership services as detailed in Section 6 of Article 3, herein.
- c. Upon expulsion of a Member, as provided by Article 15, below 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.

ARTICLE 4 MEMBERSHIP MEETINGS

SECTION 1. REGULAR MEETINGS

Regular meetings of the Members shall be 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 of said schedule by giving written notice as provided below. The Board shall set the location of the regular meetings.

SECTION 2. ANNUAL MEETING

The Annual Members meeting shall be held during the final quarter of each year on a date established at the discretion of the Board of Directors and upon written notice to the Members as provided below.

SECTION 3. SPECIAL MEETINGS

A special meeting of the Members may be called by the Board of Directors, the President of the Corporation or by five percent (5%) of the Regular Members.

SECTION 4. CONDUCT OF MEETING

The President, or his or her substitute, shall preside over the meetings of the general membership. The meetings shall be conducted under *ROBERTS RULES OF ORDER* and using the same form of agenda as meetings of the Board of Directors.

SECTION 5. QUORUM FOR MEETINGS

For the purpose of transacting business at any meeting, a quorum shall be defined as twenty-five percent (25%) of the Regular Members of record, whether represented by proxy or in person.

SECTION 6. NOTICE OF MEETINGS

The Corporation is not obligated to send notice of a regular meeting unless the meeting is scheduled for a day or location that differs from the most recently published schedule. Notice of any change in the regular meeting schedule, or any special or Annual Members' meeting shall be given to Members of record not less than ten (10) nor more than ninety (90) days before the date of the meeting.

Notice shall be given either personally or by mail or by other means of written communication, addressed to the Members at the address of the Member appearing on the books of the Corporation, or given by the Member to the Corporation for the purpose of notice. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or upon transmission when sent electronically to the facsimile number or e-mail address of the Member as shown on the Corporation's membership list. The notice of any meeting at which Directors are to be elected shall include the names of those who are nominees at the time the notice is given to Members; provided however that only Regular Members shall be entitled to vote thereon at the time of the meeting.

Notice of a Members' meeting shall state the place, date and time of the meeting. In the case of a special meeting, the general nature of the business to be transacted and no other business may be transacted. In the case of a regular meeting, no specific reason for the meeting need be given. Provided, however, that if a quorum is less than one-third of the voting power of the Regular Members, than the only matters that may be voted upon at any regular or special 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 in the above-referenced written notice.

The Members may not waive notice of a meeting as required herein.

SECTION 7. MAJORITY ACTION AS MEMBERSHIP ACTION

Every act or decision done or made by a majority of voting Regular Members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the Members, unless the law, the Articles of Incorporation of this Corporation or these Bylaws require a greater number.

SECTION 8. VOTING RIGHTS

Each Regular Member entitled to vote may cast one vote on each matter submitted to a vote of the Members. 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 Corporation's assets, on any merger or its principal terms and any amendment thereto, and on any election to dissolve the Corporation. Unless set forth in these Bylaws or the Articles of Incorporation of the Corporation, no Associate Member shall have the right to vote on the election of Directors, on the disposition of all or substantially all of the Corporation's assets, on any merger or its principal terms and any amendment thereto, or on any election to dissolve the Corporation. Subject to the foregoing, Members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. Voting at a duly held meeting shall be by voice vote, unless otherwise provided for herein or required by law. The Board of Directors may, from time to time, establish written procedures for voting by irrevocable written ballot conducted in compliance with Sections 7513-7514 of the California Corporations Code.

SECTION 9. PROXY VOTING

- a. Regular Members entitled to vote shall be permitted to vote or act by proxy.
- b. All proxies must be filed with the Secretary of the Corporation and shall be valid for no more than eleven months from the date of execution. Proxies may not be irrevocable. A Member may revoke a proxy by providing written notice of such revocation to the Secretary of the Corporation in person, or by registered mail at least 24 hours prior to the meeting or election for which such proxy has been given.

ARTICLE 5 DIRECTORS

SECTION 1. NUMBER OF DIRECTORS; QUALIFICATIONS

- a. The Board of Directors shall consist of at least 12 but no more than 15 Directors (including all officers) unless changed by an amendment to these Bylaws. The exact number of Directors shall be fixed, within those limits, by a resolution adopted by the Board of Directors from time to time. The Board of Directors shall also include one ex-officio Director who shall be the immediate past-President, who shall have all rights of an elected Director except voting, except as necessary to break a tie vote.
- b. In the event the immediate past-President also holds the immediate past-President position during his or her remaining term, then a vacancy on the Board shall be declared and it shall be filled for one year by the Board of Directors in accordance with Section 8, below.
- c. 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;
 - iii. 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
 - iv. A Director shall have attended at least one-half of the noticed Members' meetings held each year, without good cause shown therefore, as established in the

reasonable judgment of the Executive Committee.

SECTION 2. POWERS OF THE DIRECTORS

Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members of this Corporation, the activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

SECTION 3. DUTIES OF DIRECTORS

It shall be the duty of the Directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Corporation, or by these Bylaws;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Corporation;
- c. Supervise, through the Executive Director, all agents and employees of the Corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these Bylaws or as they may determine is necessary from time to time;
- e. Register their addresses with the Secretary of the Corporation so that notices of meetings delivered to them (in person, or in writing or electronically) at such addresses shall be valid notices thereof.
- f. Appoint representatives to represent the Corporation at California Apartment Association (“CAA”) meetings.
- g. Conduct, manage and control the affairs and set the policies, rules, regulations and Code of Ethics of this Corporation, subject to the limitations set forth herein.
- h. Interpret these Bylaws and all written policies, rules, regulations and Code of Ethics of the Corporation, with the assistance of legal counsel, as necessary.

SECTION 4. TERMS OF OFFICE

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 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. In any event, no more than one-third of the terms shall expire in any single year.

No Director may serve for more than three (3) full three-year consecutive 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.

SECTION 5. COMPENSATION OF DIRECTORS

Directors shall serve without compensation. No paid employee of the Corporation may serve as an Officer or Director. However, at the sole discretion of the Board, all Officers, Directors and committee members shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Officers, Directors and committee members may not be compensated for rendering services to the Corporation in any capacity, unless such compensation is reasonable and is allowable under the provisions of Section 6 of this Article.

SECTION 6. LIMITATIONS REGARDING COMPENSATION

Officers, Directors and Board committee members may receive reasonable compensation for services rendered to the Corporation outside the scope of their respective duties and responsibilities as Officers, Directors and committee members. The compensation must be reasonable and be approved by a majority of the disinterested Directors of the Board. No Board member may vote on their own compensation or compensation to be received by a legal entity which is wholly or partially owned or controlled by that member.

SECTION 7. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING.

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this Corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 8. VACANCIES

Vacancies on the Board of Directors shall exist upon any of the following events:

- a. Upon the death, resignation or removal of any Director;
- b. Whenever the number of authorized Directors is increased; or
- c. Upon the disqualification of a Director for office.

The Board of Directors 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 been found by a final order or judgment of any court to have breached any duty under California Nonprofit Mutual Benefit Corporation Law. If the Corporation has fewer than fifty (50) Regular Members, Directors may be removed without cause by a majority of all voting Members, or, if the Corporation has fifty (50) or more Regular Members, by vote of a majority of the votes represented at a meeting of the Regular Members entitled to vote at which a quorum is present in person or by proxy.

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 such resignation. No director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General of the State of California.

In the event of a vacancy on the Board, the President shall nominate a Member in good standing to fill said vacancy as an interim director for the balance of the year in which the vacancy occurred.

Thereafter, the nomination must be approved by a majority of the Board. If the Board does not approve of the nomination, the President shall make a new nomination. However, if the number of Directors then in office is less than a quorum, then the vacancy may be filled 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 pursuant to notice, or waiver of notice complying with this Article of these Bylaws, or (3) a sole remaining Director. The Regular Members of this Corporation may elect a Director at any time to fill any vacancy not filled by the Board of Directors within 60 days of the vacancy.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his or her death, resignation or removal from office.

SECTION 9. NON-LIABILITY OF DIRECTORS

Except as provided by 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 following criteria [*Cal Corp. Code Sec.7231.5*]:

- 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.

SECTION 10. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

- a. To the fullest extent permitted by law, the Corporation shall protect and indemnify its Directors, Officers, employees and other persons as described in Section 7237(a) of the California Corporations Code (hereinafter in this Article "the Code"), 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 these Bylaws, shall have the same meaning as in Section 7237(a) of the Code.
- b. On written request to this Corporation by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the Code, the Corporation shall promptly determine under Section 7237(e) of the Code whether the applicable standard of conduct set forth in Section 7237(b) or 7237(c) of the Code has been met and if so, the Corporation shall promptly authorize indemnification.
- c. If for any reason the Corporation cannot authorize indemnification because the number of Directors who are not 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 Corporation shall promptly call a Special Meeting of the Members. At that meeting the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or 7237(c) has been met, and if so, the members present in person at the meeting shall authorize indemnification.
- d. To the fullest extent permitted by law and except as otherwise determined by the Corporation in a specific instance, expenses incurred by a person seeking indemnification under this article in defending any proceeding covered by same 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 determined that the person is entitled to be indemnified by the Corporation for those expenses.

SECTION 11. INSURANCE FOR CORPORATE AGENTS

The Board of Directors shall from time to time, adopt resolutions authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, Officer, employee or other agent of the Corporation) against any liability, to the fullest extent allowed by law.

ARTICLE 6 **OFFICERS**

SECTION 1. NUMBER OF OFFICERS

The Officers of the Corporation shall be a President, a first Vice-President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. The Corporation may also have, as determined by the Board of Directors, a Chairperson of the Board, additional Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other Officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the President or Chairperson of the Board.

SECTION 2. QUALIFICATION, ELECTION, AND 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 may be elected immediately after Annual Meeting at which Directors are elected, or alternatively, as soon thereafter as possible by the Board of Directors. Each Officer shall hold office for one year, and until his or her successor shall be nominated and elected. However, if he or she resigns or is removed or is otherwise disqualified to serve, the term shall immediately expire.
- b. No person may hold the offices of President, First Vice-President or Chairperson of the Board (if any) for more than two (2) consecutive one-year terms, unless approved to do so by two-thirds majority approval of a quorum of the Board; provided however that no Officer may serve in the same office for more than three consecutive one-year terms.

SECTION 3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other Officers or agents as it may deem desirable, and such Officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION

Any Officer may be removed, either with or without cause, by the Board of Directors, at any time. Any Officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein. The acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any

Officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of Officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

SECTION 6. DUTIES OF PRESIDENT

- a. The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation and the activities of the Officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, the President shall preside at all meetings of the Board of Directors. The President shall preside at all meetings of the Members. The President shall serve as an ex-officio member, with no vote, of all committees. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, the President shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.
- b. At the conclusion of his or her term, the President shall become the immediate past-President and shall hold the position of an ex-officio member of the Board.

SECTION 7. DUTIES OF FIRST VICE-PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice-President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors from time to time.

SECTION 8. DUTIES OF SECRETARY

The Secretary shall do or cause to be done the following duties

- a. Certify and keep at the principal office of the Corporation the original, or a copy of these Bylaws, as may be amended from time to time.
- b. Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Directors, and, if applicable, meetings of committees of Directors and of Members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d. Be custodian of the records and of the seal, if any, of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by law or these Bylaws.
- e. Keep at the principal office of the Corporation a membership book pursuant to Article 3, Section 10 of these Bylaws.
- f. Exhibit at all reasonable times to any Director of the Corporation, or to his or her agent or attorney, on request there for, the Bylaws, the membership book or computer records, and the minutes of the proceedings of the Directors of the Corporation.
- g. In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," at Article 10, below, and any other limitations imposed by the governing documents of the Corporation, including resolutions of the Board of Directors, the Treasurer shall do, or cause to be done the following:

- a. Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.
- b. Receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever.
- c. Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
- d. Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- e. Exhibit at all reasonable times the books of account and financial records to any director

of the Corporation, or to his or her agent or attorney, on request there for.

- f. Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation.
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- h. In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 10. 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 serve directly under the President and shall manage, direct, conduct and execute the business of the Corporation for the best interests of the apartment house and multiple dwelling unit industry.
- 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 sit on the Board, but not the Executive Committee, and shall have no voting rights.
- c. The salary of the Executive Director shall be set by a two-thirds majority vote of the full Board.

ARTICLE 7 BOARD MEETINGS

SECTION 1. PLACE OF MEETINGS

Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Board or at such place within or without the State of California which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the Corporation shall be valid if held with the written consent of all directors given either before or after the meeting and filed with the Secretary of the Corporation, or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so as long as all Directors actually participating in such meeting can communicate concurrently with all other Directors, and the Corporation has complied with the provisions of Corporation's Code Section 7211(a)(6).

SECTION 2. REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held monthly as determined by the Board.

SECTION 3. RULES OF CONDUCT AND ORDER OF BUSINESS

- a. Meetings shall be conducted in accordance with *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 law.
- b. The following order of business shall be observed at meetings of the Board and of the general Membership:
 - 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, the President shall have the authority to change the above order of business so as to facilitate the proceedings and purpose of the meeting.

SECTION 4. SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by the Chairperson of the Board, the President, the First Vice-President, the Secretary, or by any two Directors (or the minimum number of Directors as may be permitted by the Nonprofit Mutual Benefit Corporations Law), and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation.

SECTION 5. NOTICE OF MEETINGS

- a. Regular meetings of the Board may be held without notice once a regular meeting date and time is set by the Board.
- b. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, telegraph or facsimile. If sent by mail, telegraph or facsimile the notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the telegraph company or upon confirmation of transmission from a facsimile machine. Such notices shall be addressed to each Director at his or her address or facsimile number as shown on the books of the Corporation.

SECTION 6. CONTENTS OF NOTICE

Notice of meetings shall specify the location, day and time of the meeting. The purpose of any regular Board meeting need not be specified in the notice. The transactions conducted at a special meeting of the Board shall be limited to those matters of which notice is generally give in the notice.

SECTION 7. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each Director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 8. QUORUM FOR MEETINGS

A quorum shall consist of fifty-one or more percent of the then authorized number of Directors.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as herein defined, is not present. The only motion which the Chair or President shall entertain at such meeting is a motion to adjourn.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding 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.

SECTION 9. MAJORITY ACTION AS BOARD ACTION

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 of Directors, unless the Articles of Incorporation or Bylaws of this Corporation, or provisions of the California Nonprofit Mutual Benefit Corporation Law require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 10. CONDUCT OF MEETINGS

- 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, 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 and shall contact the Executive Director to obtain information regarding same.

ARTICLE 8
COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE

The offices of President, First Vice-President, Secretary and Treasurer shall constitute the Executive Committee. In addition, the President may in his or her sole discretion may designate up to three (3) additional members to the Executive Committee. The Executive Committee shall have delegated any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- a. The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the members or of a majority of all of the Members.
- b. The filling of vacancies on the Board or on any committee which has the authority of the Board.
- c. The fixing of employee compensation or ratification of any contracts when the amount is in excess of \$5,000.
- d. The amendment or repeal of Bylaws or the adoption of new Bylaws.
- e. The amendment or repeal or any resolution of the Board which by its express terms is not so amenable or repealable.
- f. The approval of any transaction to which this Corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided for in the California Nonprofit Mutual Benefit Corporation Law.

Any action of the Executive Committee must be ratified by a majority of the Board of Directors at a Board meeting immediate following the action of the Executive Committee. By a majority vote of its members 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 two (2)) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

SECTION 2. 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.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

**ARTICLE 9
NOMINATIONS AND ELECTIONS**

SECTION 1. NOMINATING COMMITTEE

- a. On or before November 30 in each year the President shall appoint a Nominating Committee consisting of three (3) or five (5) 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 and/or officers for the Board and the voting Members.
- 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 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 SFAA in good standing.
- d. Nominations for Officers and Directors of the Association may be made by Regular Members from the floor at the regular meeting of the Association preceding the Annual Meeting of the Association.

SECTION 2. COMMITTEE REPORT TO THE PRESIDENT

The chairperson of the Nominating Committee for Officers and Directors shall deliver the report of said committee to the President for timely communication to the Members, but at least twenty (20) days prior to the Annual Meeting of the Members.

SECTION 3. COMMITTEE REPORT TO THE MEMBERSHIP

The President shall thereafter communicate the report of the Nominating Committee for Officers and Directors to the Membership, at least ten days prior to the Annual Meeting of the Members.

SECTION 4. NOMINATIONS

At the Annual Meeting of the Members, the Chairperson of the Nominating Committee shall nominate the recommended slate of Directors and/or Officers from the floor. Thereafter, the required number of Directors and, if so recommended by the Nominating Committee, the correct number of Officers, shall be elected from the candidates nominated.

SECTION 5. FLOOR NOMINATIONS

However, notwithstanding Section 4, any Regular Member eligible to vote may nominate another, or him- 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.

SECTION 6. VOTING

If a quorum is present, the affirmative vote of a majority of the voting power of Regular Members represented at the meeting entitled to vote and voting on any matter shall be deemed to act of the Members, unless the vote of a greater number, is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation. Elections shall be by voice vote, unless more candidates than offices to be filled are nominated. If more than the required number of persons is nominated, the vote shall be by written ballot.

It shall be the responsibility of the President to appoint at the Annual Meeting of the Members such election officials to conduct the election, count the ballots and certify the results, as may be necessary.

SECTION 7. OPTIONAL ELECTION OF OFFICERS

If the Officers are not elected at the Annual Meeting of the Members as provided for herein, then Officers shall be elected at the first regular Board meeting following the election of the Directors. The election of Officers shall be approved by a majority of the 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.

SECTION 8. INSTALLATION

The Officers and Directors so elected shall be installed at such time and place as is designated by the then current Board. The new Officers and Directors need not be installed to serve.

ARTICLE 10

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 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.

SECTION 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 \$2,000. In the event the amount of the check or note is \$2,000 or more, then it must be signed by any two of the above-named Officers.

SECTION 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.

SECTION 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.

ARTICLE 11

CORPORATE RECORDS, REPORTS AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The Corporation shall keep at its principal office in the State of California:

- a. Minutes of all meetings of Directors, committees of the Board and, Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- c. A record of its Members, if any, indicating their names and addresses and the class of membership held by each Member and the termination date of any membership;
- d. A copy of the Corporation's Articles of Incorporation and Bylaws, as amended, to date, which shall be open to inspection by the Members, if any, of the Corporation at all reasonable times during office hours.

SECTION 2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

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 Corporation.

SECTION 4. MEMBERS' INSPECTION RIGHTS

Each and every Regular Member shall have the following inspection rights, for a purpose reasonably related to the person's interest as a Member:

- a. To inspect and copy the record of all Members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested.
- b. To obtain from the Secretary of the Corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses and voting rights of those Members entitled to vote for the election of Directors as of the most recent record date for which the list has been compiled or as of the date specified by the Member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.
- c. To inspect at any reasonable time during regular business hours the books, records, or minutes of proceedings of the Members or of the Board of Directors or committees of the Board, upon written demand on the Corporation by the Member, for a purpose reasonably related to such person's interests as a Member.

SECTION 5. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

SECTION 6. ANNUAL REPORT

The Board of Directors shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year to all Directors of the Corporation and to any Member who requests it in writing, which report shall contain the following information in appropriate detail:

- a. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- d. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;
- e. Any information required by Section 7 of this Article.

The annual report shall be accompanied by any report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

**ARTICLE 12
FISCAL YEAR**

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the Corporation shall begin on the first day of each calendar year and end on the last day in each calendar year.

**ARTICLE 13
AMENDMENT OF BYLAWS**

SECTION 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; or
- b. By approval of a majority of the voting Members (as provided for in Article 4, Section 2), whether present in person or by proxy, of this Corporation at any noticed meeting of the Corporation.

**ARTICLE 14
AMENDMENT OF ARTICLES**

SECTION 1. AMENDMENT OF ARTICLES

Amendment of the Articles of Incorporation may be adopted by the approval of the Board of Directors and by the majority approval of the voting Members of this Corporation.

ARTICLE 15

SUSPENSIONS AND EXPULSIONS

SECTION 1. SUSPENSION OR EXPULSION OF A MEMBER

Any Member of the Corporation, may be suspended or expelled from membership, or otherwise disciplined by the Corporation on the following grounds:

- a. For conduct that is in violation of, or derogatory to the principles established by the Articles of Incorporation, these Bylaws, the Code of Ethics, or
- b. For conduct that violates the published rules, regulations and/or policies of the Corporation, or
- c. For conduct that violates a contract between the Member and the Corporation; and
- d. For nonpayment of dues.

For any cause other than nonpayment of dues (which is covered by the provisions of Article 3, Section 12 of these Bylaws), removal shall only occur only after the Member complained against has been given at least fifteen (15) days written notice of the reason for suspension, termination or expulsion, as determined in the reasonable judgment of the Board of Directors or a special committee thereof convened for such purpose, and the Member has been given reasonable opportunity to respond, orally or in writing, not less than five days before the effective date of the proposed expulsion, termination or suspension. Such notice and opportunity to respond shall be conducted in accordance with the procedures described in California Corporations Code Section 7341. The Board of Directors may publish additional written procedures for giving notice and conducting hearings from time to time, subject to the provisions of these Bylaws.

ARTICLE 16 **DISSOLUTION**

SECTION 1. DEDICATION OF ASSETS

SFAA does not contemplate pecuniary gain or profit to its Members, and is organized solely for nonprofit purposes. The Corporation's assets are irrevocably dedicated to the purposes set forth above. 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. Upon the liquidation or dissolution of the Corporation, after paying or adequately providing for its debts and obligations, any remaining assets shall be distributed to a nonprofit fund, foundation, or corporation in California which is organized and operated exclusively for public benefit or charitable purposes and that has established its tax-exempt status under the Internal Revenue Code.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of San Francisco Apartment Association, a California nonprofit mutual benefit religious corporation; that these Bylaws, consisting of 23 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on November 20, 2001 and by the Members at the Annual Meeting held on November 21, 2001; and that these Bylaws have not been amended and modified since that date.

Executed on November 21 2001 at San Francisco, California.

(name)
Secretary