

**Amended and Restated Bylaws
of the
Arizona Association of Community Managers**

As Amended by the Board, August 16, 2016

- 1 **Name.** The name of the Association is the Arizona Association of Community Managers.
- 2 **Purpose.** The primary purpose of the Association is to serve as a business organization for community management companies and others who share similar interests.
- 3 **Members and Affiliates.** The Association will have members and affiliates in the following classes and with the following rights:
 - 3.1 Classes of Members and Affiliates. Members and affiliates of the Association are divided into the following classes:
 - (a) *Management Company.* Any community management company that has at least one service contract with an Arizona community association. The board of directors may, from time to time establish levels of Management Company membership, with Management Company members placed in levels based on the aggregate number of dwelling units contained in Arizona community associations for which each Management Company has service contracts or on other objective measurements of size established by the board of directors;
 - (b) *Individual Members.* Individuals who (1) serve as an onsite Community Association Manager, (2) are employed as the HOA coordinator by a community association, builder or developer in Arizona, (3) are an employee of a non-member community management company, or (4) earned CAAM® certification as a community manager but are no longer practicing community management; and
 - (c) *Affiliates.* Individuals and business entities that do not qualify under any of the member categories above may apply and be approved for affiliate status in the manner provided for in these bylaws. Affiliates are not members, but may be divided into further sub-classifications using procedures established by the board of directors.
 - 3.2 Membership Standards; Application and Approval of Members. The board of directors will establish membership standards and affiliate standards, which

may be embodied in policies of the Association. The board of directors will establish an application and approval process for applicants under which:

- (a) an applicant must demonstrate that the applicant meets the Association's standards for membership or affiliate status, certify the classification for which the applicant qualifies and agrees to conform to the Association's policies applicable to such status; and
- (b) the board of directors or a committee authorized by the board of directors will approve the application.

Applicants will become members or affiliates only upon approval in accordance with the process the board of directors establishes.

3.3 Annual Census; Changes in Membership Class or Level. Continuing members must annually certify the class of membership for which they qualify and provide to the Association annual census information requested by the Association. The information requested in the census will include information the Association determines is necessary to establish the class and level of membership for which a member qualifies but will not include confidential business information (such as the identity of community associations served by the member). The Association will move each member to the class or level of membership for which the member qualifies at the time of each census. Members will remain in the class and level for which they qualified at the time of their most recent census until the next census is due, and will not move to a different class or level of membership even if they qualify for a different class or level in the interim. A member who fails to provide the required census information by the due date the Association establishes may be suspended by the board of directors from the due date until the date the member provides the census information.

3.4 Member Discipline. The board of directors may establish policies and procedures for member and affiliate discipline. Such policies and procedures may establish sanctions for members and affiliates who fail to comply with the Association's policies and procedures as well as the processes for determining such sanctions. Sanctions may include expulsion, suspension, fines, and other consequences appropriate under the circumstances.

- (a) *Violations permitting sanctions.* The board of directors may establish categories of violations for which members or affiliates may be sanctioned, including but not limited to:
 - (1) Failure to comply with the Association's policies applicable to such member or affiliate, including its standards for member and affiliate behavior;

- (2) A member's or affiliate's, or its senior management's, conviction of, or plea of guilty or "no contest" with respect to, charges of serious criminal conduct related to the member's or affiliate's business. The board or a committee authorized by the board is responsible for determining whether a matter involves serious criminal conduct; or
 - (3) Failure to pay dues or special assessments, or to make any certification required by these bylaws, within the times (including grace periods) established by the board of directors.
- (b) *Procedure.* The board of directors will establish procedures under which the board of directors, or a committee authorized by the board of directors, may decide the sanctions the Association will impose on a member or affiliate who commits a violation permitting sanctions.
- (c) *Interim Sanctions.* The board of directors, or a committee authorized by the board of directors, may suspend a member or affiliate until completion of sanction proceedings. Upon such suspension the member will not be permitted to exercise voting rights or and the member or affiliate will not be permitted to otherwise participate in the Association's activities until completion of the proceedings.

3.5 Voting. On any matter for which the members have voting rights, the members will vote as a whole. No class of membership will have separate voting rights on any matter, unless required by applicable law. The members will have the number of votes set forth below:

- (a) Each Management Company Member will have the number of votes established by the board of directors based on the membership level in which the Management Company Member is placed pursuant to Section 3.1(a) of these bylaws;
- (b) Individual Members do not have voting rights on any matter; and
- (c) Affiliates do not have voting rights on any matter.

3.6 Dues and Special Assessments. The board of directors may set dues and make special assessments of the members and affiliates, based on the Association's budget and financial needs. For Management Company members, dues and special assessments will be proportional to the number of votes for such members under these bylaws. For Individual Members and Affiliates, the board of directors may set dues and special assessments as it deems appropriate in its sole discretion.

- 3.7 No Transfer of Membership. A Member may transfer a membership in the Association only with the Association's prior written consent.
- 3.8 Designation of Representative. Each member must designate a single person to represent the member. If the member does not designate another person, the Association will treat the chief executive officer or other person responsible for managing the member's day to day operations in Arizona as the designated representative. The designated representative will be the only person authorized on behalf of the member:
- (a) to receive notices from the Association;
 - (b) to cast the member's vote at membership meetings; and
 - (c) to serve on the board of directors.

Either the designated representative or other persons a member designates may serve on other committees.

4 **Meetings of Members.**

- 4.1 Annual Meeting. The Association will hold an annual meeting of the members at least once every 15 months. The board of directors will establish the date and time of the meeting. At the annual meeting the members will:
- (a) elect (or announce the results of the written balloting for election of) directors; and
 - (b) transact any other business properly brought before the meeting.
- 4.2 Special Meetings. The President or the board of directors may call special meetings of the Members. The President is required to call a meeting within 60 days after the President receives a written request for a meeting signed by members having 25% or more of the total authorized member votes.
- 4.3 Record Date. The board of directors may fix a date not more than 50 nor less than 10 days before the date of a member's meeting as the record date for the determination of the Members entitled to vote at the meeting. If the board of directors does not fix a record date, the record date will be the date 10 days before the meeting.
- 4.4 Place of Meeting. The person giving notice of a meeting will designate a suitable place for the meeting.

- 4.5 Notice of Meetings. The person giving notice of the meeting must send the written notice of the meeting not less than 10 nor more than 50 days before the date of the meeting. The notice must state the place, day and hour of the meeting. The Secretary is responsible for delivering the notice to each member who is entitled to vote by hand delivery or by first class U.S. Mail.
- 4.6 Proxies. Members may not vote by proxy. Only a designated representative may cast a member's vote.
- 4.7 Minutes. The Association will record minutes at all meetings of Members.
- 4.8 Quorum. A quorum is present at a properly noticed meeting if members are present who hold at least 25% of the voting power of the members.
- 4.9 Voting by Mail or other Voting System. The Association may hold director elections and other member votes using mail ballots or electronic voting. The board of directors, or other committee authorized by the board of directors, will establish the procedures for voting. If a vote is taken by mail or electronic voting, the Association must give written notice of the voting to all members entitled to vote and the vote of 25% of the voting power of members entitled to vote is required to establish a quorum for the vote.
- 4.10 Vote Required. Unless a greater vote is required by these bylaws or applicable law, and if a quorum is established, matters presented to the members at a meeting, by mail ballots, or by electronic voting will be approved only if a majority of the votes cast on the matter are voted in favor.
- 4.11 No Cumulative Voting for Directors. Members may not cumulate their votes in the election of directors or any other matter presented to the members.

5 **Board of Directors**

- 5.1 Powers. The board of directors will manage the business of the Association and may exercise all powers of the Association.
- (a) *Budgets.* The board of directors will approve the operating budgets of the Association.
- (b) *Policies.* The board of directors may adopt policies for the functioning of the Association and its programs.
- 5.2 Number and Qualification of Directors.
- (a) The board of directors will consists of the number of persons designated from time to time by the board of directors, but not more

than 12 or less than 3 directors. If the board of directors reduces the number of directors all directors whose terms have not yet expired and who are in good standing will be allowed to serve the balance of their terms even though the resulting number of directors exceeds the number set by the board of directors.

- (b) Only persons who are designated representatives of Management Company members are eligible to serve as directors. A person who ceases to be a designated representative of a Management Company member will be deemed to have resigned. Vacancies resulting from such a resignation will be filled in the manner provided in these bylaws.

5.3 Terms of Directors. Directors' terms will be two years. The terms of one-half of the directors will expire each year, except that one extra director's term will expire every other year if there are an odd number of directors. All elections and appointments of directors under these bylaws will be made in a manner that preserves the staggering of terms.

5.4 Election of Directors. The members will elect the directors at the annual meeting (or by mail ballot or electronic voting before the annual meeting), using procedures established by the board of directors.

5.5 Filling Vacancies. If a director's position becomes vacant other than under Section 5.9, the board of directors will select a replacement to serve the remainder of the vacant term. The director who fills a vacancy will serve for the unexpired term to which he or she is elected.

5.6 Director Meetings.

- (a) *Regular Meetings.* A regular meeting of the board of directors will be held immediately after, and at the same place as, the annual meeting of members. The board of directors may establish by resolution the time and place for additional regular meetings of the board.
- (b) *Special Meetings.* The President may, and on written request of two directors must, call special meetings of the board of directors.

5.7 Notice of Meetings. The President will notify all directors of regular and special meetings. Meetings may be held on not less than:

- (a) two days' notice to each director personally, by telephone, by facsimile, or by electronic mail; or
- (b) five days' notice to each director by mail.

- 5.8 Absence as Resignation. Absence from three consecutive meetings, or from four out of six successive meetings, constitutes an irrevocable offer by a director to resign from the board. A resignation becomes effective, and the position is vacated, upon vote of the board of directors to accept the resignation with a two-thirds vote required for acceptance.
- 5.9 Removal by the Members. The members may remove a director with or without cause. In order to remove a director, two-thirds of the votes cast by the Members must be voted for removal at a duly noticed meeting where a quorum is present. If a director is removed by vote of the members, then the members may at the same meeting elect a successor to fill the vacancy and the successor will fill the unexpired term of the director removed.

6 **Meetings and Procedures for the Board and Committees.**

- 6.1 Quorum for the Board of Directors and Committees. Except as otherwise specifically provided by law, by the articles of incorporation, or by the resolution establishing a committee:
- (a) a majority of the directors then in office constitutes a quorum of the board of directors; and
 - (b) a majority of the members of a committee constitutes a quorum of the committee.

If a meeting is commenced with a quorum, business may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of sufficient persons to reduce the number present to less than a quorum.

- 6.2 Vote Required. If a quorum is present, the vote of a majority of those present and voting is sufficient to conduct the business of the board or committee.
- 6.3 Participation in Meetings. At the discretion of the board of directors or committee, the board of directors or committee may allow members to participate in meetings using conference telephone or similar communications equipment that permits all persons participating in the meeting to hear each other.
- 6.4 Attendance of Guests. The board of directors or a committee may invite any person who is not a director or a committee member to attend a meeting of the board of directors or committee. The chair of the board or committee may exclude persons who are not directors or committee members from all or part of any meeting.

- 6.5 Adjournment. If a quorum is not established for a meeting, the directors or committee members present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.
- 6.6 Action by Consent. The board of directors or a committee may take action without a meeting if all directors or committee members consent in writing. The Association will file the writing or writings with the minutes of the board of directors or committee. A consent may be signed in counterpart.
- 6.7 Waiver of Notice. Any director or committee member may waive notice of a meeting by executing a written waiver of notice. A director or committee member who attends a meeting waives notice unless the director or committee member (a) attends the meeting for the express purpose of objecting to the notice or call of the meeting and (b) announces this purpose at the commencement of the meeting.
- 6.8 Minutes of Meetings. The Chair will keep, or have kept, minutes of meetings of the board of directors. The chair of each committee designated by the board of directors will determine whether to keep minutes for meetings of the committee and, if they are kept, will keep them or have them kept. The President will file the minutes as part of the Association's records.

7 **Officers of the Board**

- 7.1 Designation of Board Officers and Executive Committee. The officers of the board include the Chair, Chair-Elect, one or more Vice-Chair(s), Immediate Past Chair, Secretary, and Treasurer.
- 7.2 Appointment and Term of Office. The board of directors will appoint the officers of the board for one-year terms. Officers of the board serve at the pleasure of (and may be removed by) the board of directors.
- 7.3 Qualification for Officers of the Board. Only persons who are directors are qualified to serve as an officer of the board, except that an individual may serve as Immediate Past Chair even if he or she is not a director. If an officer of the board ceases to be a director he or she will automatically also cease to be an officer of the board.
- 7.4 Vacancies. The board of directors may fill a vacancy in any board office.
- 7.5 Duties of Officers of the Board.
- (a) Chair. The Chair is the presiding officer of the board of directors. The Chair will:

- (1) preside at member, board of directors and executive committee meetings;
 - (2) officially represent the Association as requested by the board of directors and as is otherwise appropriate;
 - (3) appoint the chair of committees established by the board of directors after consultation with the President; and
 - (4) perform other duties as requested by the board of directors or executive committee.
- (b) Chair-Elect. The Chair-Elect will:
- (1) serve as chair of the Nominating Committee;
 - (2) serve as acting chair if the Chair is unable to perform his or her duties due to an absence or temporary disability; and
 - (3) perform other duties as requested by the board of directors or executive committee.
- (c) Immediate Past Chair. The Immediate Past Chair will perform duties as requested by the board of directors or executive committee. If the Immediate Past Chair is a director then he or she is entitled to notice of, and to vote at, meetings of the board of directors and executive committee. If the Immediate Past Chair is not a director then:
- (1) he or she will be given courtesy notice of meetings of the board of directors and executive committee; however, a failure to give such notice will not affect the validity of the meeting; and
 - (2) he or she will not vote at meetings of the board of directors and executive committee.
- (d) Vice-Chair. The Vice-Chair will:
- (1) perform the duties of the Chair if both the Chair and Chair-Elect are absent or disabled; and
 - (2) perform other duties as requested by the board of directors or executive committee.
- (e) Secretary. The Secretary will:

- (1) keep, or arrange to have others keep the minutes of meetings of the members, the board of directors, and committees of the Association;
 - (2) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law;
 - (3) be, or supervise, the custodian of the Association's records;
 - (4) keep, or arrange to have others keep, a register of the addresses of each member;
 - (5) perform duties incident to the office of Secretary; and
 - (6) Perform other duties as requested by the board of directors or executive committee.
- (f) Treasurer. The Treasurer will:
- (1) maintain or supervise custody of the funds and securities of the Association and the books of account;
 - (2) provide oversight for the deposits of the funds of the Association in the bank or banks the board of directors designates;
 - (3) have the books of account monitored on a current basis;
 - (4) see that financial statements and other reports are provided to the officers, board of directors, and executive committee at proper times; and
 - (5) see that adequate and correct accounts of the financial transactions of the Association are kept, using accepted accounting and bookkeeping methods.

8 **President and Other Officers**

8.1 Status. The board of directors may appoint a President and other officers for the Association who may be employees of the Association and need not be directors.

8.2 Appointment and Removal. The President and other officers serve at the pleasure of, and may be removed by, a vote of a majority of the entire board of directors.

8.3 President's Duties. The President will:

- (a) serve as the chief executive officer of the Association and may use the title of CEO as well as President;
- (b) serve as the general business agent of the Association;
- (c) manage the employees and facilities of the Association under the policies and direction of the board of directors and executive committee;
- (d) promote the organization and development of the Association; and
- (e) serve as the corporate officer in filing any official reports or forms required by local, state or federal agencies or governments.

8.4 Other Officers. The board of directors may appoint other officers and, when appointing them, will establish their duties and authority.

9 **Committees**

9.1 Executive Committee. The officers of the board, collectively, constitute the executive committee.

- (a) *Powers of Executive Committee*. The executive committee has the powers of the board of directors between meetings of the board of directors, and the powers specified in the articles of incorporation, but do not possess any authority of the board of directors prohibited to it by law or by the articles of incorporation. The board of directors may further restrict the power and authority of the executive committee.
- (b) *Duties*. The executive committee will advise, counsel with, and make recommendations to, the Chair, the board of directors, and the President regarding finances, management, policy, and other business coming before the Association.

(c) *Required Meetings.* The executive committee will meet on dates selected by the Chair or the President.

9.2 Other Committees. The board of directors may establish other regular, special, or advisory committees. These may include a nominating committee and a professional standards committee. The resolution establishing a committee will establish its powers and duties. At the discretion of the board of directors, persons serving on a committee need not be directors.

9.3 Notice of Committee Meetings. Committees will meet at times and places determined by the Chair, by the chair of the committee, or by the President after consultation with the Chair. Committees must provide the same notice as is required for special meetings of the board of directors. Committees may establish regular meeting dates.

9.4 Service on Committee. Committee members serve at the pleasure of the board of directors.

10 **Indemnification of Directors and Officers**

10.1 Indemnification. The Association will hold harmless and indemnify each of its directors, officers and committee members (“indemnitee”) against all liability and expense incurred by indemnitee in connection with any threatened or actual proceeding resulting from indemnitee’s service to the Association or to another entity at the Association’s request. The Association will provide indemnity under the procedure set forth in these bylaws and to the fullest extent allowable under the Arizona Nonprofit Corporation Act.

10.2 Exclusions. Except as permitted by law the Association will not indemnify indemnitee for conduct listed in A.R.S. Section 10-3202.B.1.

10.3 Procedure.

(a) Indemnitee must notify Association promptly of the threat or commencement of any proceeding for which indemnitee intends to seek indemnification.

(b) Association is entitled to assume indemnitee’s defense with counsel reasonably satisfactory to indemnitee, unless indemnitee provides Association with an opinion of counsel reasonably concluding that there may be a conflict of interest between indemnitee and Association in the defense of the proceeding or legal action.

- (c) If Association assumes the defense, Association is not liable to indemnitee for legal or other expenses subsequently incurred by indemnitee.

10.4 Expense Advances. Association will advance expenses incurred or to be incurred by indemnitee in defending a proceeding subject to the following requirements:

- (a) the Association must receive notice of the expenses;
- (b) indemnitee must furnish the Association with a written affirmation of the indemnitee's good faith belief that the indemnitee has met the proper standard of conduct;
- (c) indemnitee or a representative must furnish the Association with a written undertaking to repay the advance if it is ultimately determined (after expiration or exhaustion of any appeal rights) that the indemnitee did not meet the standard of conduct; and
- (d) the Association must determine that the facts then known to it would not preclude indemnification.

10.5 Settlement of Claims. The Association is not obligated to indemnify indemnitee for any amounts incurred in settlement if settlement is made without Association's prior written consent. Association will not enter into any settlement that would impose any penalty or limitation on indemnitee without indemnitee's prior written consent. Neither Association nor indemnitee will unreasonably withhold consent to any proposed settlement.

10.6 Effect of Repeal. In order that indemnitee may rely on the indemnification promised by this bylaw, no repeal or amendment of this bylaw may reduce the right of indemnitee to payment of expenses or indemnification for acts of indemnitee taken before the date of repeal or amendment.

11 **Fiscal Year**. The Association's fiscal year was from July 1 of each year through June 30 of the following year until 2010. In 2010, the fiscal year was changed to January 1 to December 31 of each calendar year. The calendar fiscal year is ratified as of 2010, and will be the fiscal year of the Association from 2010 until another amendment to these Bylaws changes the fiscal year.

12 **Budget and Annual Dues**.

12.1 Annual Budget. No later than 30 days before each fiscal year, the board of directors will approve an estimated annual budget for the upcoming fiscal

year. The budget will take into account the estimated expenses and cash requirements for the year.

- 12.2 **Dues.** The estimated net expenses (after expected sponsorships and other revenues) of operating the Association will be assessed to the members and affiliates as dues. Dues of Management Company members will be allocated as provided in Section 3.6 and dues of other classes of members and of affiliates will be established by the board of directors. The Association will invoice members and affiliates dues in accordance with this allocation. Members and affiliates are responsible to pay dues to the Association in accordance with the invoices.
- 12.3 **Special Assessments.** If the board of directors determines during any year that the funds budgeted for that year are, or will become, inadequate to pay the Association's net expenses for any reason, including but not limited to, nonpayment of dues by other members or affiliates, the board of directors may make a special assessment to the members and affiliates to make up the deficit. The special assessment will be allocated to the members in the same proportions as dues under Section 12.2 and to the affiliates as the board of directors determines. Members and affiliates are responsible to pay their assessments when invoiced by the Association.
- 12.4 **Refunds.** If the board of directors determines that the amount collected or to be collected through dues is in excess of the Association's needs for the current year (including appropriate reserves for the current and future years), the Board in its discretion may refund to the members or affiliates all or a portion of the excess, may reduce the amount of the dues, or may abate collection of dues as it deems appropriate.
- 12.5 **Collection of Dues and Other Charges.** The Association will collect dues, fees, charges, fines and penalties, together with interest, late charges and all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent dues, fees, charges, fines or penalties, whether or not suit is filed.
- 13 **Amendment.** The board of directors may amend these bylaws by a two-thirds vote of the directors. The members have no right to vote on any amendment to these bylaws.
- 14 **Repeal of Previous Bylaws.** These bylaws replace and supersede all previous bylaws of the Association. All previous bylaws are repealed and will have no further effect after the date of these bylaws.