

**BYLAWS OF  
ASSOCIATION OF COMMERCIAL REAL ESTATE, INC.**

**ARTICLE I - NAME AND PURPOSE**

Section 1.1 Name

The name of this corporation is the ASSOCIATION OF COMMERCIAL REAL ESTATE, INC., hereafter referred to as “ACRE” or the “Corporation.”

Section 1.2 Statement of Nonprofit Status

ACRE is a nonprofit mutual benefit corporation chartered under the laws of the State of California.

Section 1.3 Purpose

The purpose of ACRE shall be to promote the business of, and the cooperation and professional conduct within, the greater Sacramento commercial brokerage community. To this end it shall:

- (a) Hold regular meetings at which positive and constructive action may be taken to increase the knowledge and professional skills of the members.
- (b) Encourage knowledgeable, ethical, and efficient activities by the members.
- (c) Provide recognition for the leading industry practitioners.
- (d) Establish guidelines of professional conduct and standards of ethical practice.
- (e) Provide a membership listing to members.

Section 1.4 Governance

ACRE shall be governed by its Articles of Incorporation and Bylaws.

Section 1.5 Office

The principal office of ACRE shall be the office of the Executive Director or such other place as designated by the Board of Directors (the “Board”).

**ARTICLE II - MEMBERSHIP**

Section 2.1 Classes

There shall be three (3) classes of membership as follows:

2.1.1 Active. Active membership shall be granted to the following individuals: A person who satisfies the following criteria: (i) he or she is a real estate broker or agent, property manager or developer who is licensed by the State of California Department of Real Estate, or is a principal, partner, corporate officer, trustee, or employee of any of the foregoing, and (ii) spends at least seventy-five (75%) of his/her working time in the field of commercial real estate brokerage, management, or development.

2.1.2 Associate.

(a) Associate membership shall be granted to the following individuals, companies or organizations: A person who spends at least seventy-five percent (75%) of his or her working time or a company or organization that has one or more employees who spend at least seventy-five percent (75%) of their working time in the field of commercial real estate in any of the following subcategories:

(i) An insurance provider, a provider of commercial real estate escrow services or a principal, partner, corporate officer, or employee of either of the foregoing providers;

(ii) An attorney licensed to practice law or a principal, partner, corporate officer, or employee of such an attorney;

(iii) A licensed real property appraiser or a principal, partner, corporate officer, or employee of such an appraiser;

(iv) A lender, licensed mortgage broker or a principal, partner, corporate officer, or employee of either of the foregoing;

(v) A licensed general contractor (license category GC) or a principal, partner, corporate officer, or employee of such a general contractor;

(vi) A licensed architect or a principal, partner, corporate officer, or employee of such a licensed architect;

(vii) A licensed civil, structural or environmental engineer or a principal, partner, corporate officer, or employee of either of the foregoing; and

(viii) A provider of exchange intermediary services or a principal, partner, corporate officer, or employee of such services.

(b) The total associate membership in the particular subcategory within which a person desires to be admitted (inclusive of the person requesting admission) cannot exceed, at the time such person is admitted to the particular subcategory, ten percent (10%) of the total active and associate membership of ACRE; provided, however, that the Board may review and amend such limitation annually.

(c) When an associate membership has been granted to a company or organization, that company or organization shall appoint one principal, partner, corporate officer or employee of such company or organization to be its designated representative to ACRE. Such designated representative shall exercise all the rights of such associate membership on behalf of such company or organization. Such company or organization may replace such designated representative from time to time at its discretion upon written notice to ACRE. If an associate membership has been granted to a company or organization whose entire staff of employees collectively spend at least seventy-five percent (75%) of their working time in the field of commercial real estate, then such company or organization may designate any of its principals, partners, corporate officers or employees as its designated representative to ACRE. However, if an associate membership has been granted to a company or organization that does not meet the criteria set forth in immediately preceding sentence, then such company or organization must designate as its designated representative to ACRE a principal, partner, corporate officer or employee of such company or organization that spends at least seventy-five percent (75%) of his or her working time in the field of commercial real estate.

2.1.3 Affiliate. Affiliate membership shall be granted to individuals, companies or organizations directly involved in commercial real estate in allied fields who do not otherwise qualify for active or associate membership pursuant to the criteria set forth in Sections 2.1.1 and 2.1.2 above (except to the extent such failure to qualify is the result of the ten percent (10%) limitation set forth in Section 2.1.2 above), subject to the following conditions:

(a) When an affiliate membership has been granted to a company or organization, that company or organization shall appoint, at its discretion, one person as its designated representative. Such designated representative shall exercise all the rights of such affiliate membership on behalf of such company or organization. Such company or organization may replace such designated representative from time to time at its discretion upon written notice to ACRE.

(b) The number of affiliate members shall be limited to twenty-five percent (25%) of the total number of members in ACRE, provided that the Board may review and amend such limitation annually.

2.1.4 Waiting List. With respect to the categories of membership described in Sections 2.1.2 and 2.1.3 above, the Board shall have the right, at its sole discretion, to select applicants for associate or affiliate membership from waiting lists maintained by the Board.

## Section 2.2 Qualification and Approval

### 2.2.1 Application

- (a) Application for membership shall be made in such manner and form as may be prescribed by the Board.
- (b) The application form shall contain, at a minimum, the applicant's name; business name, address, and phone; commercial real estate experience/activities; type and status of real estate or other required license, if applicable, and the category (and, if applicable, subcategory) of membership for which the application is submitted.
- (c) The applicant shall have access to a copy of the Bylaws upon request.

### 2.2.2 Qualification

- (a) An applicant for active or associate membership shall supply evidence satisfactory to the Membership Committee that the applicant devotes a minimum of seventy-five percent (75%) of his/her working time in the field of commercial real estate (or, if the applicant is a company or organization, that the company or organization, or its designated representative, as applicable, satisfies the applicable requirement for involvement in the field of commercial real estate) and that the applicant otherwise satisfies the applicable criteria for membership set forth in Section 2.1 above.
- (b) Every application for membership shall be accompanied by an application fee as established by the Board. Such application fee shall be in addition to the regular annual membership dues as established by the Board, which fee shall be due at the time of application.

### 2.2.3 Approval

The procedure for approval of membership shall be as follows:

- (a) The Membership Committee shall review the membership application for completeness and shall determine if and for which class of membership (and, if applicable, what subcategory of associate membership) the applicant qualifies. In addition to the information provided on the application, the Committee may use other information available to it including personal or member knowledge of the applicant.
- (b) If one or more active or associate members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting member to appear and state the basis for his/her objection. The Committee may not reject an application for active or associate membership based on an objection without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting member, and (2) giving the applicant an opportunity to appear before the Committee and establish his/her qualifications. The Committee shall thereafter make a written report of its findings.

(c) The Membership Committee shall report its recommendations at the next regularly scheduled meeting of the Board. If the recommendation is for disapproval of the application, the reasons therefore shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall be transmitted to the Board.

(d) The Board shall review the qualifications of the applicant and the recommendation of the Committee and vote on his/her eligibility for membership. If the applicant receives a majority vote of the Board, he/she shall be declared approved for membership and shall be advised by notice in writing.

### Section 2.3 Dues and Fees

2.3.1 Annual membership dues shall be set by the Board and shall be due and payable on the first day of the month of the anniversary date of the members' membership. The annual membership dues shall be equal for all members of each class, but the Board may, in its discretion, set different dues for each class.

2.3.2 Event fees shall be set by the Board.

### Section 2.4 Suspension and Termination of Membership

2.4.1 Suspension. Membership, and all of the rights of membership, shall be suspended upon:

- (a) failure to pay annual dues within 30 days of date due.
- (b) failure to pay other amounts due, including returned checks and fees thereon, within 30 days of notice.

2.4.2 Termination. Membership shall be terminated upon:

- (a) The resignation of the member.
- (b) A change in qualifications of membership which would render the member ineligible for membership, including but not limited to, a suspension or revocation of a member's real estate license.
- (c) The determination by the Board that the member has materially failed to follow industry rules and ethics as promoted by ACRE, or has engaged in conduct materially prejudicial to the interests of ACRE.
- (d) The failure of a member to pay his/her annual dues within 60 days of the date due.

## ARTICLE III - MEETINGS AND VOTING OF MEMBERS

### Section 3.1 Meetings

3.1.1 Regular Meetings. Regular meetings of the members shall be held monthly or at such frequency, time, and place as the Board shall from time to time determine.

3.1.2 Annual Meeting. The annual meeting of members (the “Annual Meeting”) shall be held in the month of October each year, unless the Board defines another month for the Annual Meeting and so notifies the members.

### 3.1.3 Special Meetings.

(a) Authorized Persons Who May Call. A special meeting of the members for any lawful purpose may be called at any time by any of the following: The Board, the President, any two officers or directors, or five percent or more of the members.

(b) Calling a Meeting. If a special meeting is called other than by the Board, the request shall be executed by the President or the requisite number of directors, officers, or members, shall specify the general nature of the business proposed to be transacted, and shall be delivered personally or sent by U. S. certified mail to the President, the Vice-President, or the Secretary of ACRE. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote that a meeting will be held including the date for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request. If the notice is not given within the 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of members may be held when the meeting is called by action of the Board.

3.1.4 Notice of Meetings. Whenever members are required or permitted to take action at a meeting, a written notice of the meeting shall be sent or otherwise delivered not less than 10 nor more than 90 days before the meeting date to each member entitled to vote at the meeting. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of the Annual Meeting, those matters which the Board, at the time of giving the notice, intends to present for action by the members. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to members.

3.1.5 Notice of Certain Agenda Items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

- (a) Removing a director without cause;
- (b) Filling vacancies on the Board by the members;
- (c) Amending the Articles of Incorporation;
- (d) Approving a plan of distribution of assets, other than cash, 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;
- (e) 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
- (f) Voluntarily electing to wind up and dissolve the Corporation.

3.1.6 Manner of Giving Notice. Notice of any meeting of members shall be given either personally or by first-class mail, electronic transmission by the Corporation, or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of ACRE or the address given by the member to ACRE for the purpose of notice.

3.1.7 Notice by Electronic Transmission. Notice given by electronic transmission by the Corporation shall be valid only if:

- (a) Delivered by (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the Corporation; (ii) 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 (iii) other means of electronic communication;
- (b) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and
- (c) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing: (1) 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 (i) any right of the recipient to have the record provided or made available on paper in nonelectronic form, (ii) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the Corporation, and (iii) the procedures the recipient must use to withdraw consent; and (2) Notice shall not be given by electronic transmission by the Corporation after either of the following: (i) the Corporation is unable to deliver two consecutive notices to the

member by that means or (ii) 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.

### Section 3.2 Voting

3.2.1 Eligibility. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members in good standing (*i.e.*, members who have paid the required dues in accordance with these Bylaws and who are not suspended) as of the record date determined in accordance with these Bylaws shall be entitled to vote at any meeting of members; provided that with respect to election of directors, affiliate members may vote only to elect the affiliate director. Active and associate members do not vote for the affiliate director.

3.2.2 Manner of Casting Votes. Voting may be by voice or ballot, provided that any election of directors (other than affiliate directors) must be by ballot if demanded by any active or associate member before the voting begins, and any election of an affiliate director must be by ballot if demanded by any affiliate member before the voting begins.

3.2.3 Quorum. Ten percent (10%) of the members, represented in person or by proxy, shall constitute a quorum for the transaction of business at a meeting of the members. If, however, the attendance (in person or by proxy) at the Annual Meeting or any regular meeting 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, in accordance with Sections 3.1.4, 3.1.5, 3.1.6, and 3.1.7 of these Bylaws. If a quorum is present, the affirmative vote of the majority of the voting power represented at any meeting, entitled to vote, and voting on any matter, shall be 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, the Articles of Incorporation, or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of members, if any action (other than adjournment) is approved by at least a majority of the members required to constitute a quorum for such meeting, or any higher approval percentage or approval by specified classes of members as may be required by the Articles of Incorporation, these Bylaws, or by law.

### Section 3.3 Waiver of Notice by Attendance

Attendance by a member at a meeting shall constitute a waiver of notice of that meeting, except when the member objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting does not constitute a waiver of any right to object at the meeting to the consideration of matters required to be included in the notice of the meeting but not so included, if the objection is expressly made at the meeting.

### Section 3.4 Action by Written Ballot

3.4.1 General. Any action that may be taken at any meeting of members, including election of directors, may be taken without a meeting upon compliance with the provisions of this section.

3.4.2 Solicitation of Written Ballots. The Secretary shall distribute one written ballot to each member entitled to vote on the matter; such ballots shall be mailed or delivered in the manner required by Section 3.1.6 for giving notice of meetings. If approved by the Board, the ballot and any related material may be sent by electronic transmission by the Corporation in the manner set forth in Section 3.1.7, and responses may be returned to the Corporation by electronic transmission to the Corporation that meets the requirements of Section 21 of the California Corporations Code. All solicitations of votes by ballot shall: (1) indicate 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(s); and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall: (a) set forth the proposed action, (b) provide the members an opportunity to specify approval or disapproval of each proposal, if more than one proposal is set forth; and (c) 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 members shall provide that, subject to reasonable specified conditions, if the person solicited specified a choice in any such matter, the vote shall be cast according to that specification.

3.4.3 Quorum. Approval by written ballot pursuant to this Section shall be valid when the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.4.4 Revocation. No written ballot may be revoked after delivery to ACRE or deposit in the mails, whichever first occurs.

### Section 3.5 Record Date

3.5.1 Determined by Board. For the purpose of determining which members are 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 may fix, in advance, a "record date." The record date so fixed for:

- (a) Sending notice of a meeting shall not be more than 60 nor fewer than 10 days before the date of any such meeting;
- (b) Voting at a meeting shall be no more than 60 days before the date of the meeting;
- (c) 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

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

Only members of record on the date so fixed are entitled to receive notice, vote at any meeting, vote by written ballot, or take any other action, notwithstanding any transfer of any membership on the books of ACRE after the record date, except as otherwise provided in the Articles of Incorporation or in the California Nonprofit Mutual Benefit Corporation Law.

3.5.2 Failure of Board to Determine Date. Unless fixed by the Board, the record date for determining:

- (a) Those members entitled to receive notice of a meeting, shall be the business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held;
- (b) Those members entitled to vote at any meeting shall be the day on which the meeting is held;
- (c) Those members entitled vote by written ballot shall be the day on which the first written ballot is mailed or solicited; and
- (d) Those 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 60<sup>th</sup> day before the date of that action, whichever is later.

### Section 3.6 Proxies

Every person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary. 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. The revocability of a proxy shall be governed by the provisions of the California Nonprofit Mutual Benefit Corporation Law.

## **ARTICLE IV - BOARD OF DIRECTORS**

### Section 4.1 Number and Term of Directors and Officers

4.1.1 Number. The authorized number of directors shall be thirteen, including the immediate past-president as an ex-officio member and, by election, one affiliate director, four officers of the association (as defined in Section 6.1), and seven additional directors (who may be referred to as the "Directors At Large").

4.1.2 Voting rights. All thirteen directors shall have full voting rights.

4.1.3 Special Directors. In addition to the thirteen voting directors, the Board may appoint special directors who do not have authority to vote.

4.1.4 Term of Office. Directors will hold office until the next Annual Meeting. Each director, including a director elected to fill a vacancy or elected at a special members' meeting, shall hold office until expiration of the term for which elected and until a successor has been qualified and elected, unless the director has been removed from office.

#### Section 4.2 Qualifications of Directors

4.2.1 Board Member. To qualify for a position on the Board, the candidate must be an active or associate member, with the exception of the one affiliate director elected to represent the affiliate members which director must be an affiliate member.

4.2.2 Officer. To qualify as an officer (other than President) of the organization, the candidate must have been an active or associate member for a minimum of six (6) months at the date of the election.

4.2.3 President. To qualify for the position of President, the candidate must have been an active or associate member and have served a minimum one (1) year term on the Board, as of the date of the election. However, a qualified President-Elect and each subsequent President-Elect shall be deemed President at the end of his or her term as President-Elect.

#### Section 4.3 Nomination for Directors and Officers

4.3.1 Nominating Committee. Not later than sixty (60) days prior to the Annual Meeting, the President shall designate two or more directors as members of the Nominating Committee. The Nominating Committee shall confer with the President-Elect to select the slate of directors and officers who meet the qualifications set forth in these Bylaws.

4.3.2 Nomination by Members. Not later than forty-five (45) days prior to the date of the Annual Meeting, the Executive Director shall notify (via email, provided that an unrevoked consent as described in Section 3.1.7 has been provided by the recipient, and via first-class mail, in all other cases) the members that the slate of directors and officers is to be selected. Any active or associate member may place names in nomination for positions other than the affiliate director by submitting his/her nomination in writing (via US Mail, overnight courier or email) to the Executive Director not later than thirty (30) days prior to the Annual Meeting, or may state his or her nomination from the floor at the regular meeting held the calendar month prior to the Annual Meeting (if any). Any affiliate member may nominate an affiliate member to serve as the affiliate director in the same manner. On timely receipt of a qualified nominee's name, the Secretary shall cause the name of the nominee to be placed on the ballot along with those nominees named by the Nominating Committee.

4.3.3 Nomination for Officer. An active or associate member may be nominated for only one officer position.

4.3.4 Mailing. The slate of qualified candidates for directors (including the affiliate director) and officers, together with a ballot if required pursuant to Section 4.4.2 below, will be mailed or emailed (provided that the requirements of Section 3.1.7 are met) to each member with the notice of the Annual Meeting not later than twenty (20) days prior to Annual Meeting.

#### Section 4.4 Election of Directors/Officers

4.4.1 Solicitation of Votes. If more nominees are nominated than can be elected, the Board shall provide all nominees a reasonable opportunity to solicit votes and all members a reasonable opportunity to choose among nominees. If after the close of nominations the number of qualified people nominated for the officers and directors is not more than the number of officers and directors to be elected, the current Board may declare those nominated to be elected.

4.4.2 Election. If the number of nominees exceed the available positions or if there is more than one nominee for an office, then an election by written ballot shall be conducted. Each voting member shall deliver his or her completed ballots to the office of the Executive Director (via US Mail, overnight courier or electronic transmission to the Corporation that meets the requirements of Section 21 of the California Corporations Code) not later than seven (7) calendar days prior to the Annual Meeting. The result of the election shall be announced at the Annual Meeting.

- (a) Ballots shall be presented to provide for separate qualification for positions as director and officer.
- (b) Active and associate members shall have one vote for each officer position (other than President as provided in Section 4.2.3 of these Bylaws) and seven votes for the slate of Directors At Large.
- (c) Affiliate members shall have one vote for the affiliate director position.

4.4.3 Vote Required to Elect. Nominees receiving the highest number of votes shall be elected as officers/directors. The votes for a person as a director shall not be counted if that person is elected as an officer.

#### Section 4.5 Vacancies.

Vacancies among officer or director positions, including vacancies occurring by reason of the removal of directors, shall be filled by the Board until the next annual election.

#### Section 4.6 Powers

The business and affairs of ACRE shall be managed and all corporate powers shall be exercised by or under the direction of the Board, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the members.

## Section 4.7 Indemnification

4.7.1 Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, 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 Section 7237(a) of the California Corporations Code.

4.7.2 Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall determine whether the applicable standard of conduct set forth in Section 7237(b) or Section 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 the members. At that meeting, the members shall determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

4.7.3 Advancement of Expenses. 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 this Section of these Bylaws in defending any proceeding covered by this Section 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.

4.7.4 Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s director’s, employee’s, or agent’s status as such.

## **ARTICLE V - MEETINGS OF THE BOARD OF DIRECTORS**

### Section 5.1 Regular Board Meetings

5.1.1 Meetings of the Board may be held at any place designated by the President.

5.1.2 Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by the Bylaws or the Board.

## Section 5.2 Special Board Meeting

5.2.1 Authority to Call. Special meetings of the Board for any purpose may be called at any time by the President or any two officers or directors.

5.2.2 Notice.

(a) Manner of Giving. Notice may be given by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, electronic mail, or other electronic means; provided that if notice is given by facsimile, electronic mail, or other electronic means, it shall only be valid if (i) the director has provided an unrevoked consent to the use of those means of transmission for communications; and (ii) it creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. All notices shall be given or sent to the director's address or telephone number as shown on the records of ACRE.

(b) Time Requirements. Special meetings of the Board shall be held upon (i) four days' notice by first-class mail or (ii) 48 hours' notice delivered personally or by telephone, or as otherwise defined in (a) above.

(c) Notice Contents. The notices shall state the time and place for the meeting. However, it need not specify the purpose or location of the meeting if it is to be held at the ACRE office.

(d) The Articles or Bylaws may not dispense with notice of a special meeting.

## Section 5.3 Quorum

A majority of the authorized number of directors shall constitute a quorum for the transaction of business. 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 shall be regarded as the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation (a) approval of contracts or transactions between this Corporation and one or more directors or between this Corporation and an 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, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

## Section 5.4 Waiver of Notice

The transactions of any meeting of the Board, however called and noticed, shall be as valid as though taken at a regularly called meeting, if each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice of consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with ACRE's records or made a part of the minutes of the meeting.

Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

### Section 5.5 Adjournment

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of an adjournment to another time and place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

### Section 5.6 Action without Meeting

5.6.1 Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to that action and if, subject to subdivision (a) of Section 7224 of the California Corporations Code, the number of directors then in office constitutes a quorum. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

5.6.2 “Consent in writing” includes consent given through electronic transmissions from and to the Corporation by a means that creates a record that can be retained, retrieved and reviewed, and that may later be transferred into a tangible and legible form. A written consent solicited by the Corporation may be delivered to a director by (1) facsimile transmission or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that director on record with the Corporation, (2) posting on an electronic message board or network which the Corporation has designated for those communications, together with a separate notice to the recipient of the posting, or (3) other means of electronic communication; providing that such director has provided an unrevoked consent to the use of those means of transmission for communication by written consent. A written consent returned by a director to the Corporation may be delivered by (a) facsimile transmission or electronic mail when directed to the facsimile number or electronic mail address, respectively, which the Corporation has provided from time to time to directors for sending communications to the Corporation, (b) posting on an electronic message board or network which the Corporation has designated for those communications, and which transmission shall be deemed validly delivered upon the posting, or (c) other means of electronic communication; providing that the Corporation has adopted reasonable measures to verify that the sender is the director purporting to send the transmission.

5.6.3 For purposes of this Section 5.6:

(a) If the Corporation holds assets in charitable trust, with respect to actions regarding such assets, “all directors” does not include an “interested director” as defined in subdivision (a) of Section 5233 of the California Corporations Code who abstains in writing from providing consent, where (1) the facts described in paragraph (2) or (3) of subdivision (d) of Section 5233 are established at or prior

to execution of the written consent or consents; (2) the establishment of those facts is included in the written consent or consents executed by the noninterested directors or in other records of the Corporation; and (3) the noninterested directors approve the action by a vote that is sufficient without counting the votes of the interested directors;

(b) “All directors” does not include an “interested director” as described in subdivision (a) of Section 7233 of the California Corporations Code who abstains in writing from providing consent, where (1) the provisions of paragraph (1) or (2) of subdivision (a) of Section 7233 are satisfied at or prior to execution of the written consent or consents; (2) the satisfaction of those provisions is included in the written consent or consents executed by the noninterested directors or in other records of the Corporation; and (3) the noninterested directors approve the action by a vote that is sufficient without counting the votes of the interested directors; and

(c) “All directors” does not include a “common director” as described in subdivision (b) of Section 7233 of the California Corporations Code who abstains in writing from providing consent, where (1) the provisions of paragraph (1) or (2) of subdivision (b) of Section 7233 are satisfied at or prior to execution of the written consent or consents; (2) the satisfaction of those provisions is included in the written consent or consents executed by the noncommon directors or in other records of the Corporation; and (3) the noncommon directors approve the action by a vote that is sufficient without counting the votes of the common directors.

## **ARTICLE VI - OFFICERS AND COMMITTEES**

### **Section 6.1 Officers**

The officers of ACRE shall be a President, President-Elect, Vice President, and Secretary/Treasurer.

### **Section 6.2 Vacancies in Office**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in Section 4.5 of these Bylaws.

### **Section 6.3 Responsibilities of Officers**

6.3.1 **President.** The President shall be the principal elective officer of the organization and shall preside at all meetings of the Board. He/she shall appoint the chairs of the committees established by the Board and shall be an ex-officio member of all standing committees, without right to vote. He/she shall also, at the Annual Meeting and at such times as he/she may deem appropriate, communicate to the membership and/or the Board such information or proposals as would promote the objectives of ACRE and shall perform such other duties as are necessarily incident to the office of the President. With the approval of the Board, he/she shall sign all deeds, contracts and other instruments affecting the operation of ACRE.

6.3.2 President-Elect. In the absence or disability of the President, the President-Elect shall perform all duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The President-Elect shall have such other powers and perform such other duties as from time to time may be prescribed for him/her respectively by the Board.

6.3.3 Vice President. In the absence or disability of the President and President-Elect, the Vice President shall perform all duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him/her respectively by the Board.

6.3.4 Secretary/Treasurer. He/she shall maintain the following:

(a) Book of Minutes. He/she shall keep or cause to be kept, at the principal office of ACRE or such other place as the Board may direct, a book of minutes of all meetings and actions of directors, committees of directors, and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at members' meetings, and the proceeding of such meetings.

(b) Membership Records. He/she shall keep or cause to be kept, at the principal office of ACRE or such other place as determined by resolution of the Board, a record of ACRE's members, showing the names of all members, their addresses, and the class of membership held by each.

(c) Notice. He/she shall give, or cause to be given, notice of all meetings of the members and of the Board required by the Bylaws to be given.

(d) Books of Account. He/she shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of ACRE, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and the other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(e) Deposit and Disbursement of Money and Valuables. He/she shall deposit all money and other valuables in the name and to the credit of ACRE with such depositories as may be designated by the Board; shall disburse the funds of ACRE as may be ordered by the Board; and shall render to the directors an account of all transactions and a statement of the financial condition of ACRE.

(f) Corporate, Tax, and Employment Filings. He/she shall cause to be filed such documents, returns and reports as may be required by law.

(g) Other Duties. He/she shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

6.3.5 Immediate Past President. The Immediate Past President shall serve as a voting member of the Board and act as an advisor to the President. He/she may chair any other committee or ad-hoc committees as created by the Board.

#### Section 6.4 Committees

6.4.1 Committees of the Board. The Board may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present, create one or more committees of directors (each a “Committee of the Board”), 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 a majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any Committee of the Board, who may replace any absent member at any meeting. Any Committee of the Board shall have all the authority of the Board, to the extent provided in the Board resolution creating such committee, except that no committee (whether a Committee of the Board or an “Advisory Committee,” as defined in Section 6.4.2 below) may do the following:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Board or any Committee of the Board;
- (c) Fix compensation of the directors for serving on the Board or on any committee;
- (d) Amend or repeal bylaws or adopt new bylaws;
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (f) Create any other Committees of the Board or appoint the members of Committees of the Board;
- (g) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
- (h) 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, except as provided in paragraph (3) of subdivision (d) of Section 5233 of the California Corporations Code.

6.4.2 Advisory Committees. The Board may create other committees that do not exercise the authority of the Board (each an “Advisory Committee”). Any such committee may include as members persons who are not directors as well as persons who are directors. Any such committee shall be deemed an “Advisory Committee.”

The committees may include the following:

6.4.3 Standing Committees.

- (a) Nominating Committee. This committee provides the association members with names of qualified candidates to serve on the Board.
- (b) Membership Committee. This committee reviews applications for membership and determines if and for which class of membership the applicant qualifies. The Committee meets with any applicant who objects to its decision on membership suitability, and reports its findings to the Board.
- (c) Program Committee. This committee determines topics and arranges speakers for the monthly meeting of the members.

**ARTICLE VII - RECORDS AND REPORTS**

Section 7.1 Maintenance of ACRE records

The following records shall be kept at ACRE's office:

- 7.1.1 Adequate and correct books and records of account;
- 7.1.2 Minutes in written form of the proceedings of its members, the Board, and the Committees of the Board;
- 7.1.3 A record of its members, giving their names and addresses and the class of membership held by each.

Section 7.2 Members' Inspection Rights

7.2.1 Any member of ACRE may inspect and copy the records of members' names and addresses and voting rights during usual business hours on five business days' prior written demand on ACRE, stating the purpose for which the inspection rights are requested. This list shall be made available to any such member by the Secretary on or before the later of 10 days after the demand is received; provided that ACRE reserves the right to offer an alternative means of achieving the purpose identified in the demand in lieu of providing access to or a copy of the membership list.

7.2.2 Any member of ACRE may inspect the accounting books and minutes of the proceedings of the members and the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest as a member.

Section 7.3 Maintenance and Inspection of Articles and Bylaws

ACRE shall keep at its principal California office the original or a copy of the Articles of Incorporation and the Bylaws as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.

## ARTICLE VIII - AMENDMENTS

### Section 8.1 Amendment by Members

New Bylaws may be adopted or these Bylaws may be amended or repealed by approval or ratification by the affirmative vote of a majority of the votes represented and voting at a duly held members' meeting at which a quorum is present (which affirmative votes also constitutes a majority of the required quorum) or written ballot conducted in conformity with Section 3.4 of these Bylaws. Such power is subject to the following limitations:

- 8.1.1 The adoption, amendment or repeal of Bylaws by the members also requires approval or ratification by the members of a class if such action would:
- (a) Materially and adversely affect the rights, privileges, preferences, restrictions or conditions of that class as to voting, dissolution, redemption, or transfer in a manner different than such action affects another class;
  - (b) Materially and adversely affect such class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions or conditions of another class;
  - (c) Increase or decrease the number of memberships authorized for such class;
  - (d) Increase the number of memberships authorized for another class;
  - (e) Effect an exchange, reclassification or cancellation of all or part of the memberships of such class; or
  - (f) Authorize a new class of memberships.

### Section 8.2 Amendment by Directors

Subject to the rights of members under Section 8.1 above and the limitations set forth below, the Board may adopt, amend, or repeal Bylaws. Such power is subject to the following limitations:

- 8.2.1 Without the approval or ratification of the members, the Board may not adopt or amend any Bylaw provision that would:
- (a) Materially and adversely affects the rights of members as to voting, dissolution, redemption or transfer;
  - (b) Increase or decrease the number of members authorized in total or for any class;
  - (c) Effect an exchange, reclassification or cancellation of all or part of the memberships;
  - (d) Authorize a new class of membership;

- (e) Fix or change the authorized number of directors, fix or change the minimum or maximum number of directors, or change from a fixed number of directors to a variable number of directors or vice versa;
- (f) Increase or extend the terms of the directors;
- (g) Allow one or more directors to hold office by designation or selection rather than election by the members (other than as provided for in Section 4.5 of these Bylaws);
- (h) Increase the quorum for members' meetings; or
- (i) Repeal, restrict, create, expand, or otherwise change proxy rights; or
- (j) Authorize cumulative voting.

