

**BYLAWS OF  
INDEPENDENT POOL AND SPA SERVICE ASSOCIATION, INC.  
(Amended February 1, 2011)**

A California Nonprofit Mutual Benefit Corporation

The name of this corporation is **INDEPENDENT POOL AND SPA SERVICE ASSOCIATION, INC.** (hereinafter, referred to as "IPSSA").

**ARTICLE I  
CORPORATE STRUCTURE**

IPSSA is organized around a basic structure of self-sustaining subordinate parts. At the very base of the structure is the membership level. There are various categories of members, described below, however, only Regular Members are entitled to vote. Regular Members are organized into Chapters, which are the basic structural units of the IPSSA organization. Chapters are organized into geographical Regions, and representatives from the geographical Regions sit on the Board of Regional Directors (the "**BORD**"), which is the governing body of IPSSA.

The BORD shall have the authority to adopt Standing Rules, Policies and Procedures, and such other rules as they deem necessary to govern their affairs, provided that such rules do not contradict these bylaws. In addition, the BORD shall adopt a Code of Ethics which may be amended or revised from time to time, and which shall take precedence over all IPSSA rules except the IPSSA bylaws. The IPSSA bylaws, Code of Ethics, Standing Rules, Policies and Procedures, and such other rules as may be adopted by the BORD, from time to time, shall be hereinafter sometimes collectively referred to as the "**IPSSA Governing Rules.**" In the event of any conflict between any of the various IPSSA Governing Rules, the bylaws shall prevail over all other rules, the Code of Ethics shall prevail over all rules except the bylaws, the IPSSA Standing Rules shall prevail over all other rules except the bylaws and the Code of Ethics, and the IPSSA Policies and Procedures shall prevail over all rules other than the IPSSA bylaws, Code of Ethics, or IPSSA Standing Rules. The Regions and Chapters shall have the authority to adopt Standing Rules to assist in governing such Region or Chapter. As between the various levels of IPSSA, the IPSSA Governing Rules shall prevail over all other Standing Rules, and the Regional Standing Rules shall prevail over the Chapter Standing Rules.

**ARTICLE II  
OFFICES OF IPSSA**

**Section 2.1. Principal Office.** The principal office for the transaction of the activities, affairs, and business of IPSSA (principal office) will be located in California at an address determined by the BORD. Any change of location of the principal office may be noted by the secretary on these bylaws in the space provided below this Section.

**Section 2.2. Other Offices.** The BORD may at any time establish branch or subordinate offices at any place or places where IPSSA is qualified to conduct its activities.

**ARTICLE III  
PURPOSES AND LIMITATIONS**

**Section 3.1. General Purposes.** The purpose of IPSSA is to engage in any lawful act or activity for which a corporation may be organized. Such purposes for which IPSSA is formed are to improve business conditions and promote the development of efficiency within the pool and spa service business, to improve the conditions of work and promote the improvement of products and services available to persons working the pool and spa service business.

**Section 3.2. Limitations.** Notwithstanding any other provision of these Articles, IPSSA shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of IPSSA.

**ARTICLE IV  
MEMBERS**

**Section 4.1. Qualifications and Classes of Membership.** IPSSA shall have only one class of voting members, designated as Regular Members. IPSSA shall have two classes of non-voting members, designated as Employee and Associate Members, respectively. Regular Members and Employee Members shall attain membership in IPSSA by becoming Regular Members or Employee Members, as the case may be, of a local Chapter in the geographical Region where their business is located. The requirements for eligibility for membership in the various classes are as follows:

**a. Regular Members.** Eligibility for membership as a Regular Member requires that an individual:

**1. Employed or Self-Employed Requirement.**

**(a)** After June 3, 1988. After June 3, 1988, must be a self-employed independent pool and/or spa technician and not an employee of any other pool and/or spa technician or company;

**(b)** Prior to June 4, 1988. Prior to June 4, 1988, **(i)** must be a self-employed independent pool and spa technician or company, or **(ii)** be an employee of a Regular Member and have qualified for Regular Membership under the Policies and Procedures of IPSSA dated June 4, 1988;

**2.** Have as his or her major vocation (i.e., derive over 50 percent of income from), pool and/or spa maintenance and/or repair.

**3.** Have no more employees than the maximum number permitted by the Region to which the applicant seeks membership. Provided, a Region may permit each chapter to determine the maximum number of employees of a member.

4. Attend as a prospective member three out of four consecutive Chapter meetings of the Chapter such individual seeks to join;
5. Agree to and participate in sick route coverage pursuant to such member's chapter's Standing Rules;
6. Meet such additional requirements as may be established from time to time by the BORD for Regular Members, including any such requirements set forth in the IPSSA Governing Rules; and
7. Meet such additional requirements as may be established from time to time by the Chapter and/or Region to which each such person seeks to belong, including any such requirements set forth in the Governing Rules of such applicable Chapter and/or Region and meet the requirements of the Code of Ethics as adopted from time to time by the BORD, as currently set forth as Exhibit "A" attached hereto.

Any individual who is and at all times remains dedicated to the purposes of IPSSA and who meets the above requirements shall be eligible for membership and shall become a member on approval of the membership application by the Chapter to which the applicant would belong and the payment of such dues and fees as the BORD, Region and/or Chapter may from time to time fix, including but not limited to, the administrative fee established from time to time by the BORD, and the membership fees established from time to time by the applicable Region and/or Chapter. Regular membership in IPSSA is limited to individuals, however, individuals who are incorporated or operate in a partnership form may become Regular Members, so long as each principal of a partnership or corporation becomes a Regular Member of IPSSA, and provided further, that the entities to which such members belong otherwise meet the requirements of Regular Membership set forth above. The principals of such partnerships or corporations shall not be counted as employees. Regular Members must continue to meet the eligibility requirements for membership throughout the time that they are members, provided, however, that Employee Members who became Regular Members prior to June 4, 1988 pursuant to Section 4.1 a. 1. (a) above, shall continue to be eligible so long as they continue to meet the requirements of Section 4.1 a. 1. (a) and the other requirements of Section 4.1.

**b. Family Member.** To be eligible for membership as a Family Member, an individual must be either the spouse or a minor child (under the age of 18 years) of a Regular Member and work under the same company name and insurance policy as the Regular Member. Someone eligible to be a Family Member that becomes a Regular Member shall be treated as a Regular Member for all purposes hereof and shall no longer be considered or classified as a Family Member. A Family Member will be entitled to all rights and privileges given to Employee Members (as described below). If there is a need for disciplinary action of a Family Member, it will be levied against the Regular Member. Any disciplinary action taken against the Regular Member shall also affect all Family Members.

**c. Employee Member.**

1. Eligibility for membership as an Employee Member requires that an individual be and remain an employee of a Regular Member, be sponsored for membership by a Regular Member, and meet all the requirements for Regular Membership set forth in Section 4.1 hereof, except those set forth in paragraphs a. 1., a. 2., a.3., and a. 4. of Section 4.1.
2. Any person who is and at all times remains dedicated to the purposes of IPSSA and who meets the above requirements shall be eligible for membership and shall become an Employee Member upon the payment of any such dues and fees as the BORD, Region and/or Chapter may from time to time fix.
3. If under the Standing Rules of a Chapter the Employee Member is required to participate in the sick route coverage, then such Employee Member must also be approved by the general membership of the Chapter before such person can become an Employee Member.
4. Employee Members must continue to meet the eligibility requirements for membership throughout the time they are members. Termination or suspension of the Regular Member under which an Employee Member has qualified for Employee Membership, shall result in the termination or suspension of the Employee Member as well.
5. Except as set forth in this subparagraph 5., for purposes of these Bylaws, an "**employee**" shall be deemed to be any individual who performs any pool and spa related services for a Regular Member. Notwithstanding anything to the contrary contained herein, the term "**employee**" shall not include:
  - a. Any individual who is a Regular Member of IPSSA.
  - b. Any person or entity that is an independent contractor, provided that, such independent contractor,
    - (1) carries their own commercial general liability insurance in an amount equal to that required to be carried by Regular Members (the "**commercial liability insurance**"),
    - (2) provides the Regular Member with a current valid certificate of insurance evidencing such commercial general liability insurance, and
    - (3) provides the Regular Member with an additional insured endorsement naming IPSSA an additional insured under such independent contractor's commercial liability insurance policy.
6. The definition of "**employee**" set forth herein is to be used solely for purposes of determining whether membership requirements have been satisfied under these bylaws and is not intended to have any impact on the determination of whether an individual is an employee or independent contractor or for any other purpose whatsoever.
7. An employee shall not be misrepresented to IPSSA as a sub-contractor for the purpose of circumventing any provisions of the IPSSA Bylaws, IPSSA Standing Rules, or Chapter Standing Rules. If an employee is misrepresented as a subcontractor, then the Regular Member and the Employee Member will face immediate expulsion.
8. Employee Members shall have no voting rights in IPSSA, nor any other rights not specifically conferred by these bylaws.
9. Employee Members may attend meetings, unless their sponsoring Employer objects to them doing so. There shall be no mandatory Chapter meeting requirement for Employee Members.
10. Employees who attend meetings, may offer verbal input and serve on committees of the Chapter in the discretion of the Chapter.
11. Employee Members shall not be counted towards the quorum required for voting members.
12. Sick route participation requirements for Employee Members shall be set by each individual Chapter.

**d. Associate Members.** Associate membership is available for vendors and suppliers whose commercial business is to serve and support pool and spa service professionals; who are dedicated to IPSSA purposes; who abide in applicable laws,

regulations and IPSSA bylaws, rules and policies; and who abide in the decisions of duly constituted committees and BORD of the Association. Such membership may be granted in the reasonable discretion of the BORD or its designate. Any vendor who is and at all times remains dedicated to the purposes of IPSSA and who meets the above requirements shall be eligible for membership for a one (1) year term, on payment of such dues and fees as the BORD may from time to time fix. Membership will be reviewed annually and is subject to renewal or non-renewal in the reasonable discretion of the BORD or its designate. Renewal or non-renewal shall be based on the good faith determination by the BORD, committee, or person authorized by the BORD to make such determination, whether the member has failed in a material degree to observe the rules of conduct of IPSSA, or has engaged in conduct materially prejudicial to the purposes and interests of IPSSA. Associate Members must continue to meet the eligibility requirements for membership throughout each one year term.

**Section 4.2. Voting Members.** Only Regular Members in good standing (as defined below) shall have the right to vote, as set forth in these bylaws, on the election of directors, the disposition of all or substantially all of the assets of IPSSA, any merger and its principal terms and any amendment of those terms, any election to dissolve IPSSA, and on any other matters placed before them for vote by the BORD. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If IPSSA is dissolved, the Regular Members of record at the time that the Certificate of Election to Dissolve is filed with the California Secretary of State's Office, or if no such election is made, at the time an order for winding up and dissolution of IPSSA is entered, shall receive a prorata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of IPSSA and provision for any other payment required under applicable law. No member shall have any voting right, hold chapter office or become a chapter representative in any chapter other than his primary chapter.

**Section 4.3. Dual Membership.** A Regular Member may be a member of more than one Chapter as long as he or she has customer accounts within each of the Chapter's boundaries. The first Chapter which such member joins shall be the primary Chapter and any other Chapters joined by such member shall be secondary Chapters. A member may only change the primary Chapter designation by following the transfer of membership procedures set forth for members wishing to transfer their membership to another Chapter. Such members shall be referred to as Regular Members in their primary Chapters and as "**Dual Members**" in the secondary Chapters. Rights, privileges, obligations, and fees, if any, for such Dual Members shall be governed by each Chapter's standing rules. Any and all disciplinary actions taken with regard to a Regular Member in his primary Chapter shall apply to all secondary Chapters in which he has a dual membership. Disciplinary action relating to attendance in the secondary Chapter shall pertain only to the secondary Chapter. Other violations in the secondary Chapter shall be subject to Section 4.7 (Termination and Suspension of Membership) and shall apply on an IPSSA wide basis to all the rights and privileges of such member.

**Section 4.4. Other Persons Associated With IPSSA.** IPSSA may refer to persons of Employee and Associate classes or other persons or entities associated with it as "**members**" even though such persons or entities are not voting members as set forth in Section 4.2, of these bylaws, and no such reference shall result in anyone being considered a member within the meaning of section 5056 of the California Corporations Code unless that person shall have previously qualified for such a voting membership under paragraph a. of Section 4.1 of these bylaws. References in these bylaws to members shall mean members as defined in section 5056 of the California Corporations Code; i.e., the Regular Members set forth in Section 4.1 of these bylaws. By amendment of its articles of incorporation or of these bylaws, IPSSA may grant some or all of the rights of membership in any class, as set forth in these bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Section 4.2 of these bylaws, but no such person or entity, by reason of such grant, shall be a member within the meaning of section 5056 of the California Corporations Code.

**Section 4.5. Dues, Fees, and Assessments.** Each member must pay, within the time and on the conditions set by the BORD, Region, and/or Chapter of which he or she is a member, the dues, fees, and assessments in amounts to be fixed from time to time by such bodies, including but not limited to, the administrative fee, the periodic dues and assessments set by the BORD, and the membership fees established by the applicable Region or Chapter.

**Section 4.6. Good Standing.** Those members who have paid the required dues, fees, and assessments within the time period of the established Chapter Termination Policy, and who are not suspended, shall be members in good standing.

**Section 4.7. Termination of Membership; Suspension or Expulsion of Members.**

- a. Causes of Termination.** A membership shall terminate on occurrence of any of the following events:
1. Resignation of a member, on reasonable notice to IPSSA and/or Chapter to which he or she belongs;
  2. Failure of a member to pay dues, fees, or assessments as set by the BORD, Region and/or Chapter within the period established by the Chapter in its Chapter Termination Policy and/or IPSSA in its terms and policies;
  3. Occurrence of any event that renders a member ineligible for membership, or failure to continue to satisfy membership qualifications, including refusal to participate in sick route coverage;
  4. Suspension or expulsion of the member under paragraphs b. or c. of Section 4.7 of these bylaws.

The BORD, Region or Chapter may also elect, in their sole discretion, and in lieu of termination of the membership, to impose a fine for any such matter, which shall not exceed the sum of Five Hundred Dollars (\$500.00) per incident.

**b. Suspension or Expulsion of Member.** Suspension of a member shall mean the temporary loss of membership privileges for a period to be specified at the time of the suspension. Expulsion of a member shall mean the permanent loss of membership privileges. Expulsion is intended to be used for repeated and/or the most egregious forms of conduct warranting the permanent expulsion of such person from membership in IPSSA. A member may be suspended or expelled, under Section 4.7 of these bylaws, based on the good faith determination by the BORD, Region, Chapter and/or a committee or person authorized by the BORD to make such determination, that the member has failed in a material degree to observe IPSSA's rules of conduct, or has engaged in conduct materially prejudicial to the purposes and interests of IPSSA. The determination of suspension or expulsion shall generally occur at the Chapter level, however, if the Region elects to preempt the Chapter or the BORD elects to preempt the Region and Chapter, such determination may be made at the Region or BORD level, subject to the absolute discretion of the applicable Region or the BORD, as the case may be, to consider the case. The Chapters shall have complete and absolute authority to make such determinations with respect to their members, unless the applicable Region or the BORD decides to initially hear the case or to reconsider a determination of a Chapter. Upon rendering its decision with regard to any member, each Chapter shall concurrently therewith notify such member of his or her right to seek an appeal of the determination by the applicable Region or the BORD. In the absence of a decision of the BORD or applicable Region to initially hear the case or to rehear a case decided by a Chapter, the decision of the Chapter shall be and remain final.

A person whose membership is suspended shall not be a member during the period of suspension, and shall not be entitled to any benefits, including but not limited to, insurance.

**c. Procedure for Expulsion or Suspension.** If grounds appear to exist for suspension or expulsion of a member under paragraph b. of Section 4.7 of these bylaws, the procedure set forth below shall be followed:

1. The member shall be given 15 days prior notice of the proposed suspension or expulsion and the reasons for the proposed suspension or expulsion. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on IPSSA's records.

2. The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board of Officers of the Chapter to which the member belongs, by the BORD, or applicable Regional Board of Representatives, as the case may be (hereinafter sometimes referred to as the "**Decision Body**").

3. The Decision Body shall decide whether or not the member should be expelled, suspended, or sanctioned in some other way. Subject to the appeal rights set forth below, the decision of the Decision Body shall be final.

4. A member shall have the right to appeal any action taken by a Chapter to the Region in which such Chapter is located. A member and/or the applicable Chapter shall have the right to appeal any action taken by a Region to the BORD. Any request for review of a decision made by the Decision Body or of a decision on appeal made by the Region, including a claim alleging defective notice, must be commenced within thirty days after the date of the decision made by the Decision Body or the Region, as the case may be. Such request for review shall be made in writing.

5. The decision of the Decision Body shall become final upon the last to occur of the following: (i) the running of the thirty (30) day period after the Chapter decision or the Region decision, without the filing of a written request for an appeal by the member at the Region or BORD level, as the case may be, or (ii) the decision of the BORD after reviewing the decision of the Region. The suspension, expulsion and/or termination shall become effective on the first day of the month following the decision becoming final.

6. Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination, and can only be made if a claim has first been presented to either the applicable Region or BORD within the time periods set forth above.

7. No civil action under this section shall be commenced by or on behalf of any members without first exhausting the remedies provided herein.

**Section 4.8. Transfer of Memberships.** No membership or right arising from membership shall be transferred, except upon the death of a Regular Member, in which event the deceased member's membership may be transferred to any other person designated by the Regular Member for a period not to exceed one hundred eighty (180) days. If the Regular Member designates no person, membership shall be transferred to those listed below in the following order: (1) spouse; (2) natural and adopted children; (3) parents. The designated transferee must be living at the time membership is transferred. Subject to Section 12.4 of these bylaws, all rights of membership cease on the member's death or one hundred eighty (180) days thereafter if transferred to the member's spouse, or upon the dissolution or sale of the member's business to a third party.

**Section 4.9. Transfer to Another Chapter.** A Regular Member may only transfer his or her membership from one chapter to another chapter, by completing a Transfer of Chapter form, obtaining the signature of the Chapter president of the Chapter from which the Regular Member is transferring and obtaining the approval of the board of the Chapter to which the Regular Member wishes to transfer. Such Regular Member must then file the Transfer of Chapter form with the IPSSA financial office.

**Section 4.10. Authority to Transfer Memberships.** The Regional Director has the discretion to facilitate membership transfers on occurrence of any of the following events: (1) the refusal of the Chapter President to sign the membership forms; (2) misplaced transfer forms; (3) the Chapter is dissolved; or (4) the Chapter President is unable to perform his/her duties.

## ARTICLE V CHAPTERS

**Section 5.1. Chapters Self-Sustaining.** The Chapter is the basic organizational unit of IPSSA. Except as set forth in these bylaws, the IPSSA Standing Rules, Policies and Procedures, Code of Ethics, or elsewhere provided by the BORD, the Chapters are intended to be self-sustaining.

**Section 5.2. Standing Rules.** The basic rules governing Chapters shall be set forth in the IPSSA Standing Rules adopted by the BORD for that purpose, as such may be amended from time to time. Additionally, it is intended that Chapters adopt their own Standing Rules, provided, such rules and regulations do not conflict with the IPSSA Governing Rules.

**Section 5.3. Chapter Board of Officers.** Each Chapter shall be governed and all corporate powers exercised by or under the direction of its respective Board of Officers. Detailed rules relating to the Board of Officers shall be set forth in the IPSSA Standing Rules.

**Section 5.4. Chapter Filing Requirements.** Each Chapter shall file a copy of that Chapter's current Standing Rules and Sick Route Coverage Plan with the IPSSA office within ninety (90) days from the date of the formation of the Chapter, and/or within ninety (90) days of any subsequent changes or amendments thereto.

**Section 5.5. Quorum Requirements.** Thirty percent (30%) of the voting power (Regular Members) shall constitute a quorum for the transaction of business at any Chapter meeting. Subject to the preceding sentence, the Regular Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if the action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

**Section 5.6. Formation of New Chapters.** New Chapters may be formed upon application to the Regional Board which includes the Chapter's location. Each such Chapter must have at least ten (10) prospective members who qualify for membership. The Chapter must be formed in compliance with IPSSA Standing Rules, Policies and Procedures including any such procedure that may apply to new Chapters. The Regional Board shall approve or disapprove such new Chapter application in its sole and absolute discretion. If a new Chapter is approved by the Regional Board then the BORD shall approve or disapprove such new Chapter in its sole and absolute discretion. Decisions of the BORD may not be contested. Factors to be considered are the size (number of

members) and territory covered by the other Chapters which are in close proximity to the proposed new Chapter and the impact such new Chapter may have on the existing Chapters. The BORD may adopt such Policies and Procedures and Standing Rules as they deem appropriate in connection with the approval of, and the formation requirements related to a new Chapter. The Regional Board may waive the three consecutive meeting requirement when a new Chapter is formed.

## ARTICLE VI REGIONS

### **Section 6.1. Organization.**

**a. Geographical Regions.** IPSSA shall be divided into such geographic Regions as is determined by the BORD.

**b. Creation and Elimination of Regions.** The BORD may from time to time establish criteria for the creation of new regions. Additionally, the BORD may eliminate a Region or allow a Region to split, in its absolute discretion. Notwithstanding anything to the contrary contained herein, any new Regions shall be self-sustaining and cover their own expenses associated with participation in IPSSA.

### **Section 6.2. Regional Board.**

**a. Governance and Powers.** Each Region shall be governed by a Regional Board, comprised of two representatives from each Chapter in that Region. The Regional Board shall manage and govern the regional affairs of that Region. The Region shall be subordinate only to the BORD.

**b. Number and Qualification of Representatives.** The members of the Regional Board shall consist of two representatives from each Chapter in the Region and one representative of the Board of Directors. The number of Chapter representatives shall increase or decrease as the number of Chapters in that Region increases or decreases. The representatives from each Chapter will consist of the Chapter President and an appointee designated by the Chapter pursuant to the Chapter's Standing Rules. All decisions for the Region will be made by a majority vote of these representatives, and the chair of such meeting of representatives shall be one of the Board of Directors and shall not have a vote. The Region shall have the discretion to allow Chapter Presidents to send a substitute representative if necessary, pursuant to Regional Standing Rules.

**c. Election, Appointment and Term of Office of Regional Representatives.** Each Chapter shall hold an election for President of that Chapter and the person so elected shall become a member of the Regional Board and one of the two representatives on the Regional Board from that Chapter. The second representative from that Chapter to serve on the Regional Board shall be appointed by the Chapter pursuant to the Chapter's Standing Rules. Such representative shall serve until a successor has been elected and installed. Each representative, including a representative elected to fill a vacancy shall hold office until expiration of the term for which elected and until a successor has been elected and installed.

**d. Vacancies on the Regional Board.** The provisions governing vacancies on the BORD set forth in Section 7.4 hereof shall apply with respect to the Regional Board.

**e. Frequency of Meetings.** Each Region shall meet at least quarterly at a predesignated place and time. Every Chapter in a Region must send at least one representative to each quarterly Regional Meeting and shall be subject to disciplinary action and/or fine pursuant to the Standing Rules of such Region for the failure to do so. Notwithstanding applicable provisions of a Region's Standing Rules, if a Chapter is unrepresented at more than one Regional meeting during any single calendar year, the BORD has the right to take such actions as it deems appropriate, including the expulsion of the Chapter from the Region. In general, the other provisions governing meetings of the BORD set forth in Sections 7.5 and 7.6 shall apply where necessary to meetings of the Regional Board.

**f. Regional Director, Secretary, and/or Treasurer.** A member of the Regional Board of Directors shall be elected by the members of such Regional Board to serve as a Regional Director of that Region on the BORD for a term of two years. A Secretary for the Region shall also be elected from among the representatives for the same term, and shall be from a different Chapter than the Regional Director. A Secretary/Treasurer may succeed himself/herself. A Regional Director shall represent the Region at all BORD meetings. A Regional Director may appoint another representative from among the members of the Region to represent the Region at BORD meetings in his/her absence, but that appointed representative shall not have a right to vote according to California corporate law. The Regional Director may appoint a member representative as head of a committee. The Secretary shall keep a roll of the members and an attendance log.

### **g. Authorized Business to be Conducted at Region Meetings.**

Region meetings are for the purpose of conducting Regional business affecting the Chapters of each such Region, as well as for communication and liaison between Chapters and their representatives in a geographical area, and for discussion of issues affecting IPSSA, the exchange of ideas, practices, experiences and information of benefit to the individual Chapters and members thereof. The meeting shall be conducted from an agenda compiled by the Regional Director, and minutes shall be kept by the Secretary who will send an accurate copy to IPSSA executive secretary who shall circulate copies to members of the BORD.

The business of Regional meetings shall include, but not be limited to, the following:

1. The conduct of the organizational, financial, and educational business of IPSSA as it applies to the Region.
2. The conduct of hearings on grievances and appeals from decisions of the Chapters as set forth in IPSSA Standing Rules.
3. The fostering of goodwill and the promotion of healthy interaction among the Chapters.
4. The submission of recommendations to the BORD of financial, educational, administrative, and other ideas.
5. The approval of the addition, deletion, merger or splitting of Chapters.
6. The right to remove a Chapter officer for refusal to comply with a BORD decision.

## ARTICLE VII DIRECTORS OF THE BORD

### **Section 7.1. Powers.**

**a. General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation and bylaws regarding actions that require the approval of the members, IPSSA's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the direction of the Board ("**BORD**"). The BORD shall be comprised of one representative from each Region. The BORD shall constitute the highest order of management.

**b. Specific Powers.** Without prejudice to the general powers set forth in paragraph a. of Section 7.1 of these bylaws, but subject to the same limitations, the directors shall have the power to:

1. Appoint and remove at the pleasure of the BORD; prescribe powers and duties that are consistent with the law, with the articles of incorporation, and with these bylaws; and fix the compensation and require security for faithful performance of duties of all IPSSA's officers, agents, and employees.

2. Conduct, manage, and control the affairs and activities of IPSSA and make such rules and regulations therefor not inconsistent with law, the Articles, or these bylaws.

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

4. Adopt and use a corporate seal; prescribe the forms of membership certificates consistent with the provisions of Section 7313 of the California Corporations Code; and alter the form of the seal and certificates.

5. Authorize the issuance of memberships of IPSSA from time to time and for such consideration as may be lawful.

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

7. Approve the decisions of the Regions to add additional Chapters and/or to remove or suspend existing Chapters for good cause.

8. Approve the decision of the Members to add and/or to remove or suspend existing Regions.

#### **Section 7.2. Election, Designation, and Term of Office.**

**a.** Each Regional Board shall elect a director to represent it on the BORD from among the then representatives on the Regional Board. Each director shall serve a two (2) year term, or, if such director's term of office is shortened for any reason as provided herein, a replacement director shall be appointed by the subject Region as soon as practicably possible. Each such director, including a director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. A BORD member may not serve more than two terms of office within any ten year period.

**b.** If a director is elected to the BORD due to the creation of a new region, that director shall serve a two (2) year term, unless: (1) that director is from an even-numbered region, as so designated by the BORD, and is to take office in an odd numbered year or; (2) that director is from an odd numbered region, as so designated by the BORD and is to take office in an even numbered year.

**c.** If either of the conditions set forth in subsection b. (1) or b.(2) of this section apply, the BORD member of the newly created region shall serve a one (1) year term.

#### **Section 7.3. Vacancies on BORD.**

**a. Events Causing Vacancy.** A vacancy or vacancies on the BORD shall exist on the occurrence of the following: (1) the failure of any Regional Director to remain in good standing under the IPSSA Governing Rules, (2) the death or resignation of any director, (3) the declaration by resolution of the BORD of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or, if IPSSA holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under section 7238 of the California Corporations Code or any successor provision thereto; (4) the vote of the BORD to remove a director for cause, including, but not limited to, dereliction of duty or breach of the Code of Ethics; (5) the vote of the members of the Regional Board that elected such director to remove that director from office; (6) the increase in the authorized number of directors of the BORD; or (7) the failure of the members of the Regional Board of any Region to elect a new director by October 15 of the year that the term of the prior director from that Region expires.

**b. Resignations.** Except as provided below, any director may resign by giving written notice to the chair of the BORD, if any, or to the President or the Secretary of the BORD. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Region may elect a successor to take office when the resignation becomes effective. Provided, however, if a Region fails to elect a successor within 90 days of the effective date, the BORD may then appoint a director to complete the term.

**c. Filling Vacancies.** Vacancies shall be filled by the Board of the Region for which the vacancy relates, provided, however, that in the event such Region does not fill such vacancy within thirty (30) days of the date on which the vacancy occurs, a majority of the directors of the BORD, then in office, whether or not less than a quorum, or a sole remaining director, shall fill such vacancy.

#### **Section 7.4. Directors' Meetings.**

**a. Place of Meetings.** Meetings of the BORD shall be held at any place within or outside California that has been designated by resolution of the BORD or in the notice of the meeting.

**b. Meetings by Telephone.** Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors participating in such a meeting shall be deemed to be present in person at such a meeting.

**c. Annual Meeting.** Immediately after each annual meeting of members, the BORD shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business. Notice of this meeting is not required.

**d. Other Regular Meetings.** Other regular meetings of the BORD may be held upon thirty (30) days notice by first class mail at such time and place as the BORD may fix from time to time.

#### **e. Special Meetings.**

1. **Authority To Call.** Special meetings of the BORD for any purpose may be called at any time by any two directors.

2. **Notice.**

(a) **Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each director by one of the following methods: (1) by personal delivery of written notice; (2) by first-class mail, postage prepaid; (3) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or (4) by electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the records of IPSSA.

(b) **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States mails at least seven days before the time set for the meeting. Notices given by personal delivery, telephone, or by electronic means, shall be delivered at least 48 hours before the time set for the meeting.

(c) **Notice Contents.** The notice shall state the time of the meeting and the place.

f. **Quorum.** A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the BORD, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (1) approval of contracts or transactions between IPSSA and one or more directors or between IPSSA and any entity in which a director has a material financial interest, (2) creation of and appointments to committees of the BORD, and (3) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

g. **Agenda.** The agenda for any BORD meeting shall become fixed ten (10) days before any meeting. Any items that a member of the BORD wishes to have discussed at a meeting of the BORD must be submitted to the BORD no later than ten (10) days prior to such scheduled meeting. Any items not submitted on a timely basis may, in the discretion of the BORD, be tabled until the next regularly scheduled meeting.

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

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

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

**Section 7.5. Action Without a Meeting.** Any action that the BORD is required or permitted to take may be taken without a meeting if all members of the BORD consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the BORD. All such consents shall be filed with the minutes of the proceedings of the BORD.

**Section 7.6. Compensation and Reimbursement.** Directors may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by BORD resolution to be just and reasonable as to IPSSA at the time the resolution is adopted.

**Section 7.7. Committees.**

a. **Committees of the BORD.** The BORD, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of at least one BORD member who shall serve as chair, to serve at the pleasure of the BORD. Appointments to committees of the BORD shall be by majority vote of the directors then in office. Any such committee, regardless of BORD resolution, may not:

1. Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, requires approval of the members or approval of a majority of all members;
2. Fill vacancies on the BORD or on any committee that has the authority of the BORD;
3. Fix compensation of the directors for serving on the BORD or on any committee;
4. Amend or repeal bylaws or adopt new bylaws;
5. Amend or repeal any BORD resolution that by its express terms cannot be so amended or repealed,
6. Create any other committees of the BORD or appoint the members of committees of the BORD;
7. Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or

8. With respect to any assets held in charitable trust, approve any contract or transaction between the corporation and one or more of its directors or between the corporation and an entity in which one or more of its directors have a material financial interest, subject to the special approval provisions of section 5233(d)(3) of the California Corporations Code.

b. **Meetings and Actions of Committees.** Meetings and actions of committees of the BORD shall be governed by, held, and taken in accordance with, the provisions of these bylaws concerning meetings and other BORD actions except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by BORD resolution, or if there is none, by resolution of the committee. Minutes of each meeting of any committee of the BORD shall be kept and shall be filed with the corporate records. The BORD may adopt rules for the government of any committee that are consistent with these bylaws or, in the absence of rules adopted by the BORD, the committee may adopt such rules.

c. **Particular BORD and Advisory Committees.** The BORD may establish particular committees, e.g., an executive committee, audit committee, nominating committee, compensation committee, and finance committee. The BORD cannot, however, delegate the powers listed in Corp Code Section 7212(a)(1)-(8) to any committee.

Any such committee that does not have a BORD member as chair, is not a committee of the BORD, and it should be clearly labeled an "advisory committee." Unless the bylaws provide otherwise, the BORD may delegate management of IPSSA's activities to an advisory committee (Corp Code ' ' 7210, 7212) to the same extent that those powers could be delegated to anyone under Corp Code

Section 7210. If the committee does not exercise the authority of the BORD, Sections 6.193-6.194 need not apply to it.

## ARTICLE VIII OFFICERS

**Section 8.1. Officers of IPSSA.** The officers of IPSSA shall be a president, a secretary, and a chief financial officer. IPSSA may also have, at the BORD's discretion, a chair of the BORD, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section 8.3 of these bylaws. Any number of offices may be held by the same person.

**Section 8.2. Election of Officers.** The officers of IPSSA, except those appointed under Section 8.3 of these bylaws, shall be chosen annually by the BORD and shall serve at the pleasure of the BORD, subject to the rights, if any, of any officer under any contract of employment.

**Section 8.3. Other Officers.** The BORD may appoint and may authorize the chair of the BORD, the president, or other officer to appoint any other officers that IPSSA may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined by the BORD.

**Section 8.4. Removal of Officers.** Without prejudice to any rights of an officer under any contract of employment, an officer may be removed with or without cause by the BORD, and also, if the officer was not chosen by the BORD, by any officer on whom the BORD may confer that power of removal.

**Section 8.5. Resignation of Officers.** Any officer may resign at any time by giving written notice to IPSSA. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of IPSSA under any contract to which the officer is a party.

**Section 8.6. 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 these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

**Section 8.7. Responsibilities of Officers.**

**a. Chair of the BORD.** The Director from the Region in which the BORD meeting is being held, or such other person as the BORD shall appoint if such Director declines such appointment, shall be the Chair of the BORD for purposes of such meeting.

**b. President.** Subject to such supervisory powers as the BORD may give to the Chair of the BORD, if any, and subject to the control of the BORD, the president shall be the administrative chairman. The president shall preside at all members' meetings and, in the absence of the chair of the BORD, or if there is none, at all BORD meetings. The president shall have such other powers and duties as the BORD or bylaws may prescribe.

**c. Secretary.**

**1. Book of Minutes.** The secretary shall keep or cause to be kept, at IPSSA's principal office or such other place as the BORD may direct, a book of minutes of all meetings, proceedings, and actions of the BORD, of committees of the BORD, and of members' meetings. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular, or special and, if special, how authorized, the notice given, the names of those present at BORD and committee meetings, and the number of members present or represented at members' meetings. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.

**2. Membership Records.** The secretary shall keep or cause to be kept, at IPSSA's principal office or at a place determined by BORD resolution, a record of IPSSA's members, showing each member's name, address, and class of membership.

**3. Notices, Seal, and Other Duties.** The secretary shall give, or cause to be given, notice of all meetings of members, of the BORD, and of committees of the BORD required by these bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the BORD or the bylaws may prescribe.

**d. Chief Financial Officer.**

**1. Books of Account.** The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of IPSSA's properties and transactions. The chief financial officer shall send or cause to be given to the members and directors such financial statements and reports as are required by law, by these bylaws, or by the BORD to be given. The books of account shall be open to inspection by any director at all reasonable times.

**2. Deposit and Disbursement of Money and Valuables.** The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of IPSSA with such depositories as the BORD may designate, shall disburse IPSSA's funds as the BORD may order, shall render to the president, chair of the BORD, if any, and the BORD, when requested, an account of all transactions as chief financial officer and of the financial condition of IPSSA, and shall have such other powers and perform such other duties as the BORD or the bylaws may prescribe.

**3. Bond.** If required by the BORD, the chief financial officer shall give IPSSA a bond in the amount and with the surety or sureties specified by the BORD for faithful performance of the duties of the office and for restoration to IPSSA of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

## ARTICLE IX MEETINGS OF MEMBERS(Corporate Wide)<sup>1</sup>

**Section 9.1. Place of Meeting.** Meetings of the members shall be held at any place within California designated by the

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<sup>1</sup> This Article, and Articles X, XI, and XII governs corporate meetings of the members on a corporate level. It does not govern Chapter meetings of members.

BORD.

**Section 9.2. Annual Meeting.** An annual members' meeting shall be held on the first Saturday of February of each year at 4:00 P.M., unless the BORD fixes another date or time and so notifies members as provided in Section 9.4 of these bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At such meeting, directors shall be elected and any other proper business may be transacted, subject to Sections 9.4 of these bylaws.

**Section 9.3. Special Meetings.**

**a. Persons Authorized To Call.** A special meeting of the members for any lawful purpose may be called at any time by any two members of the BORD, or 5 percent or more of the members.

**b. Calling Meetings.** A special meeting called by any person (other than the BORD or Chair of the BORD) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, submitted to the chair of the BORD, if any, or the president or the secretary of IPSSA. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Section 9.4 of these bylaws, stating that a meeting will be held at a specified time and date fixed by the BORD, provided, however, that the meeting date shall be at least 35 but no more than 90 days after receipt of the request. If the notice is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the BORD.

**c. Proper Business of Special Meeting.** No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

**Section 9.4. Notice Requirements for Members' Meetings.**

**a. General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with paragraphs b., c., and d. of Section 9.4 of these bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, or (2) for the annual meeting, those matters that the BORD, at the time notice is given, intends to present for action by the members. With regard to special meetings, no business, other than that set forth in the notice, shall be conducted. The agenda for any annual meeting shall become fixed sixty (60) days before any meeting. Any items that a member wishes to have discussed at the annual meeting of the members must be submitted to the BORD no later than sixty (60) days prior to such scheduled meeting. Any items not submitted on a timely basis may, in the discretion of the BORD, be tabled until the next regularly scheduled annual meeting of members. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees.

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

1. Amending the articles of incorporation;
2. Approving a contract or transaction between IPSSA and one or more directors, or between IPSSA and any entity in which a director has a material financial interest;
3. Electing to wind up and dissolve IPSSA; or
4. Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when IPSSA is in the process of winding up.

**c. Manner of Giving Notice.** Notice of any meeting of members shall be in writing and shall be given at least 10 but no more than 90 days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, including facsimile, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of IPSSA or at the address given by the member to IPSSA for purposes of notice. If no address appears on IPSSA's books and no address has been given for notice, notice shall be deemed to have been given if notice is either (1) addressed to the member and sent by first-class mail or other written communication to IPSSA's principal office or (2) published at least once in a newspaper of general circulation in the county in which the principal office is located, and is also published at least once in the corporation's official newspaper.

**d. Affidavit of Mailing Notice.** An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of IPSSA, and if so executed, shall be filed and maintained in IPSSA's minute book.

**Section 9.5. Quorum.**

**a. Percentage Required.** Ten percent (10%) of the voting power (Regular Members) shall constitute a quorum for the transaction of business at any meeting of members, provided, however, that if any regular or annual meeting is actually attended in person or by proxy by less than one third of the voting power (Regular Members), the only matters that may be voted on are those matters of which notice was given under the first and second sentences of paragraph a. of Section 9.4 of these bylaws.

**b. Loss of Quorum.** Subject to paragraph a. of Section 9.5 of these bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if the action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

**Section 9.6. Adjournment and Notice of Adjourned Meeting.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 45 days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, IPSSA may transact any business that might have been transacted at the original meeting.

**Section 9.7. Voting.**

**a. Eligibility To Vote.** Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of members shall be Regular Members in good standing as of the record date determined under Article XI of these bylaws.

b. **Manner of Casting Votes.** Voting may be by voice or ballot.

c. **Voting.** Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members.

d. **Approval by Majority Vote.** If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on the 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 or by the articles of incorporation.

**Section 9.8. Waiver of Notice or Consent.**

a. **Written Waiver or Consent.** The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify the business to be transacted nor the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in paragraph b. of Section 9.4, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.

b. **Waiver by Attendance.** A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully noticed. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

**Section 9.9. Inspectors of Election.** In advance of any meeting of members, the BORD may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of any such meeting shall make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members or proxies, the majority of Regular Members represented in person or by proxy shall determine whether one or three inspectors are to be appointed. In the case of any action by written ballot without a meeting as provided in Section 10.2 of this Article X, the BORD may also appoint inspectors of election.

Whether the election is at a meeting or by written ballot without a meeting, the powers and duties of the inspectors shall be prescribed by the California General Corporation Law and shall include; determining the number of memberships outstanding and the voting power of each; determining the existence of a quorum; determining the authenticity, the validity, and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and question in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the results; and doing such acts as may be proper to conduct the election or vote with fairness to all members. If there are three inspectors of election, the decision, act, or certificate of a majority is effective in all respects as a decision, act or certificate of all.

**Section 9.10. Conduct of Meeting.** The President, or his or her designee, shall preside as chairman at all meetings of the members. The chairman shall conduct each meeting in a businesslike and fair manner, but shall not be obligated to follow any technical, formal, or parliamentary rules or principles of procedure, unless requested to do so by any Regular Member. The chairman's ruling on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling a request for a vote is made to the members entitled to vote and which are represented in person or by proxy at the meeting, in which case the decision of a majority of such members shall be conclusive and binding on all members. Without limiting the generality of the foregoing, the chairman shall have all the powers usually vested in the chairman of meetings of members. The chairman of a meeting shall be entitled to vote.

## ARTICLE X ACTION WITHOUT A MEETING<sup>2</sup>

**Section 10.1. Action by Unanimous Written Consent.** Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

**Section 10.2. Action by Written Ballot Without a Meeting.** Any action that may be taken at any meeting of members may be taken without a meeting by complying with Section 10.2 of these bylaws.

a. **Solicitation of Written Ballots.** IPSSA 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 paragraph c of Section 9.4 of these bylaws. All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) with respect to ballots, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to IPSSA.

b. **Number of Votes and Approvals Required.** Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

c. **Revocation.** A written ballot may not be revoked.

d. **Filing.** All written ballots shall be filed with the secretary of IPSSA and maintained in the corporate records for at least three years.

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<sup>2</sup> This Article governs corporate meetings of the members on a corporate level. It does not govern Chapter meetings of members.

**ARTICLE XI**  
**RECORD DATE FOR NOTICE, VOTING, WRITTEN BALLOTS, AND OTHER ACTIONS<sup>3</sup>**

For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the BORD may fix, in advance, a record date. The record date so fixed

- a. or notice of a meeting, shall not be more than 90 or less than 21 days before the date of the meeting;
  - b. for voting at a meeting, shall not be more than 60 days before the date of the meeting;
  - c. for voting by written ballot, shall not be more than 60 days before the day on which the first written ballot is mailed or solicited;
- and
- d. for any other action, shall not be more than 60 days before that action.

**Section 11.1. Record Date for Notice or Voting.** If not otherwise fixed by the BORD, the record date for determining members entitled (1) to receive notice of a meeting of members, shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (2) to vote at the meeting, shall be the day on which the meeting is held.

**Section 11.2. Record Date for Action by Written Ballot.** If not otherwise fixed by the BORD, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

**Section 11.3. Record Date for Other Actions.** If not otherwise fixed by the BORD, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the BORD adopts the resolution relating to that action, or the sixtieth (60th) day before the date of that action, whichever is later.

**Section 11.4. Members of Record.** For purposes of Sections 11.1 through 11.3, a person holding a membership at the close of business on the record date shall be a member of record.

**ARTICLE XII**  
**PROXIES<sup>4</sup>**

**Section 12.1. Right of Members.** Each member entitled to vote at a corporate membership meeting shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of IPSSA. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, facsimile or otherwise) by the member or the member's attorney-in-fact.

**Section 12.2. Form of Solicited Proxies.** Any form of proxy distributed to 10 or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification.

**Section 12.3. Requirement That General Nature of Subject of Proxy Be Stated.** Any revocable proxy covering matters for which a vote of the members is required, including amendments to the articles of incorporation; amendments to the articles or bylaws changing proxy rights; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the corporate assets unless the transaction is in the usual and regular course of IPSSA's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve IPSSA; contracts or transactions between IPSSA and one or more directors or between IPSSA and an entity in which the director has a material financial interest; or a plan of distribution of assets other than money to members when IPSSA is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

**Section 12.4. Revocability.** A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (a) revoked by the member executing it before the vote is cast under that proxy, (i) by a writing delivered to IPSSA stating that the proxy is revoked, (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by the member's personal attendance and voting at the meeting, or (b) written notice of the death or incapacity of the maker of the proxy is received by IPSSA before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three years from the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by section 7613 of the California Corporations Code.

**ARTICLE XIII**  
**INDEMNIFICATION**

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<sup>3</sup> This Article governs corporate meetings of the members on a corporate level. It does not govern Chapter meetings of members.

<sup>4</sup> This Article governs corporate meetings of the members on a corporate level. It does not govern Chapter meetings of members.

**Section 13.1. Right of Indemnity.** To the fullest extent permitted by law, IPSSA 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 IPSSA, 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.

**Section 13.2. Approval of Indemnity.** On written request to the BORD by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the BORD shall promptly 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 BORD shall authorize indemnification. If the BORD 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 BORD shall promptly call a meeting of 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 Section 7237(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

**Section 13.3. Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the BORD in a specific instance, expenses incurred by a person seeking indemnification under Sections 13.1 and 13.2 of these bylaws in defending any proceeding covered by those Sections shall be advanced by IPSSA before final disposition of the proceeding, on receipt by IPSSA 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 IPSSA for those expenses.

#### ARTICLE XIV INSURANCE

IPSSA 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 XV RECORDS AND REPORTS

**Section 15.1. Maintenance of Corporate Records.** IPSSA shall keep:

- a. Adequate and correct books and records of account;
- b. Written minutes of the proceedings of its members, BORD, and committees of the BORD; and
- c. A record of each member's name, address, and class of membership.

**Section 15.2. Members' Inspection Rights.**

a. **Members' Records.** Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Corporations Code, any member may do either or both of the following for a purpose reasonably related to the Regular Member's interest as a member (the "Reasonable Relationship Requirement"):

1. Inspect the records of members' names, addresses, and voting rights during usual business hours on five days' prior written demand on IPSSA, which demand must state the purpose for which the inspection rights are requested; or
2. Deliver to IPSSA any communication such Regular Member wishes to have communicated to the members of IPSSA along with an explanation of the purpose for which such communication is requested, and IPSSA shall transmit such communication to the members within the following month, provided that: (i) such communication satisfies the Reasonable Relationship Requirement as determined by IPSSA, and (ii) the member advances such reasonable costs as IPSSA may request.

If IPSSA reasonably believes that the communication is intended for a purpose other than one reasonably related to a person's interest as a member or if the costs requested by IPSSA are not tendered in advance, it may refuse to communicate the information to the members.

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

**Section 15.3. Maintenance and Inspection of Articles and Bylaws.** IPSSA shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of the articles of incorporation and bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the principal office of IPSSA is outside California and IPSSA has no principal business office in this state, the secretary shall, on the written request of any member, furnish to that member a copy of the articles of incorporation and bylaws as amended to date.

**Section 15.4. Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect IPSSA's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

**Section 15.5. Annual Report.**

a. A financial report showing revenues and expenses shall be prepared within 120 days after the end of IPSSA's fiscal year. That report shall contain the following information in appropriate detail:

1. A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of IPSSA that they were prepared without audit from the books and records of IPSSA.
2. A statement of the place where the names and addresses of current members are located.

3. Any information that is required by Section 15.5.

b. IPSSA shall notify each member through corporation's official publication annually of the member's right to receive a financial report under this Section. Except as provided in subsection (3) of this bylaw, on written request by a member, the BORD shall promptly cause the most recent annual report to be sent to the requesting member.

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

**Section 15.6. Annual Statement of Certain Transactions and Indemnifications.** As part of the annual report to all members, or as a separate document if no annual report is issued, IPSSA shall annually prepare and mail or deliver to its members and furnish to its directors a statement of any transaction or indemnification of the following kinds within 120 days after the end of IPSSA's fiscal year:

a. Unless approved by members under Section 7233(a) of the California Corporations Code, any transaction (a) to which IPSSA, its parent, or its subsidiary was a party, (b) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (c) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

1. Any director or officer of IPSSA, its parent, or its subsidiary;
2. Any holder of more than 10 percent of the voting power of IPSSA, its parent, or its subsidiary.

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

b. A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of IPSSA under Sections 13.1 through 13.3 of these bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 7235(a) of that Code

## **ARTICLE XVI CONSTRUCTION AND DEFINITIONS**

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

## **ARTICLE XVII AMENDMENTS**

**Section 17.1. Amendment by BORD.** The BORD may not, without the approval of a majority of the members, specify or change any bylaw provision, provided, however, that it shall be the responsibility of the BORD to review the IPSSA bylaws from time to time and present to the members any changes the BORD believes warranted.

**Section 17.2. Amendment by Members.** New bylaws may be adopted or these bylaws may be amended or repealed by approval of the members.

## **EXHIBIT "A"**

### **CODE OF ETHICS**

As a member of the Independent Pool and Spa Service Association, Inc., I will utilize my professional knowledge and skilled practical workmanship in providing quality customer service. To that end, it will be my responsibility to keep informed of developments in the pool and spa industry including new techniques and product applications.

My second obligation will be to the members of IPSSA by giving them any professional assistance they may need including sick route coverage. In this endeavor, I shall respect their clientele and not encroach upon their routes.

My final responsibility will be to my community and its citizens. I will strive to communicate the necessity for pool safety and other issues of importance to pool and spa owners.

In these ways, I will promote the ideals and objective of the Independent Pool and Spa Service Association, Inc.

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