

COMMUNITY ASSOCIATIONS INSTITUTE PROFESSIONAL MANAGER CODE OF ETHICS

The Manager Shall:

1. Comply with current standards or practices as may be established from time to time by CAI subject to all federal, state and local laws, ordinances, and regulations in which the Manager practices.
2. Participate in continuing professional education through CAI and other industry related organizations.
3. Act in the best interests of the client; refrain from making inaccurate or misleading representations or statements to a prospective client; not knowingly misrepresent facts to benefit the Manager.
4. Undertake only those engagements that they can reasonably expect to perform with professional competence.
5. Exercise due care and perform planning and supervision as specified in the written management agreement, job description or duly adopted Board policies.
6. Disclose all relationships in writing to the client regarding any actual, potential or perceived conflict of interest between the Manager and other vendors.
7. Provide written disclosure of any compensation, gratuity or other form of remuneration from individuals or companies who act or may act on behalf of the client.
8. Insure that homeowners receive timely notice as required by state statutes or legal documents and protect their right of appeal.
9. Disclose to the client the extent of fidelity or other contractually required insurance carried on behalf of the Manager and/or client and any subsequent changes in coverage, which occur during the Manager's engagement if the amount is lower than the contract amount requires.
10. See that the funds held for the client by the Manager are in separate accounts, are not misappropriated, and are returned to the client at the end of the Manager's engagement; Prepare and furnish to the client accurate and timely financial reports in accordance with the terms of the management agreement, job description or duly adopted Board policies.
11. Recognize the original records, files and books held by the Manager are the property of the client to be returned to the client at the end of the Manager's engagement; maintain the duty of confidentiality to all current and former clients.
12. Refrain from criticizing competitors or their business practices; Act in the best interests of their Employers; Maintain a professional relationship with our peers and industry related professionals.
13. Shall conduct themselves in a professional manner at all times.

Compliance with the Professional Manager Code of Ethics is further amplified in the Code Clarification Document provided by the Community Associations Institute.

CODE CLARIFICATION DOCUMENT

Last revised 05/2004

A. Authority

The Code derives its authority from the Community Associations Institute (CAI). CAI's Board of Trustees has established a minimum standard of professional ethical performance for those individuals who receive recognition or designations from CAI.

Those individuals or entities that have received professional designations from CAI are subject to this Code. Those designations include: PCAM®, AMS®, and AAMC.

B. Definitions

The Code shall apply in any manager-client relationship where the Manager receives some form of compensation for professional services offered or provided to the client.

1. Manager - a singular term which shall apply to all of the following persons or entities providing or offering some form of property of financial or administrative or consulting services to one or more clients:
 - a. A single practitioner functioning as a client employee, or
 - b. A single practitioner employed by a firm contracted by one or more clients, or
 - c. A principal or supervisory staff member for a firm which is contracted by one or more clients, or
 - d. A firm, which is contracted by one or more clients, whether it is organized as a corporation, partnership, or other entity.

Because the Code is designed to establish a standard of conduct for the practice of managing community associations, it is equally applicable to individuals and firms. An individual who agrees to abide by this Code shall also be responsible to see that any other person or firm under his/her supervision shall comply with the Code.

2. Client - a singular term applying to one or more community association properties (condominium, homeowner association, cooperative, PUD, PRD, etc.) and their governing body. The client may employ the Manager directly or be under some form of independent contract with the Manager.

C. Amplification

CAI to further explain and define the Code of Ethics provides the following information.

**The following explanations correspond to the numbered paragraphs in the
Professional Manager Code of Ethics**

1. Current standards or practices are those numbered one through thirteen in the Code. Managers who practice in states with legislative requirements must comply with those laws. Managers shall not discriminate in any relationship, with any individual or firm, based upon race, color, religion, sex, national origin, familial status, or handicap and shall comply with all federal, state and local laws concerning discrimination. Managers shall not engage in any form of price fixing, anti-trust, or anti-competition with other Managers or Vendors.
2. Continuing professional education requirements are consistent with that Manager's designation. While CAI membership is not mandatory, the Manager must satisfy the designation requirement in order to use said designation. Additionally the Manager has a duty to remain informed on relevant matters affecting the industry.
3. Act in the best interests of the client; Not make any inaccurate or misleading representations or statements to a prospective client; Not knowingly misrepresent facts to benefit the Manager; the manager has a fiduciary duty/responsibility to the client and should at all times act in the best interests of the client. Managers should avoid exaggeration, misrepresentation, concealment, and knowingly distributing misinformation.
4. Undertake only those engagements that they can reasonably expect to perform with professional competence; the Manager shall provide accurate information within his area of expertise and refrain from the unauthorized practice of other professions. No manager should provide any service or advice that is outside his or her field of competence which includes dispensing of professional advice that falls under the auspices of other disciplines such as legal representatives, engineers and contractors.
5. Exercise due care and exhibit planning and supervision as specified in the written management agreement, job description, or duly adopted Board policies. The intent of this statement is for the Manager to make a good faith effort to operate within the framework of the applicable employment/agent relationship and to abide by the terms of said agreement. Any failure of the Manager to fully comply with this requirement, shall not be considered relevant unless the failure is material and/or willful.
6. Disclosure of any possible conflict of interest is the key here. An example may be of assistance. A Manager (individually or through a company) may have financial interest in a service contractor, supplier, or professional firm that is being considered by that Manager's client. Disclosure must be in writing and sufficiently in advance of the selection process to allow full consideration of the possible conflicts and any alternatives. The fact that the client may still choose the Manager's related entity is not a violation of the Code, provided ample disclosure was given.
7. Provide written disclosure to the client any compensation, gratuity or other from of remuneration from individuals or companies who act or may act on behalf of the client. Written disclosure shall be made to the client by the Manager, confirming receipt of all commissions, rebates, discounts, payments, or other benefits received in excess of \$200.00 annually by the Manager from any vendor or vendor related client.
8. CAI recognizes that insuring that homeowners have timely notice or that their appeal rights are protected is limited by the extent that the Manager can influence his or her client. Thus, a Manager who makes reasonable efforts to properly advise the client has complied with this standard, even if the client chooses to reject the Manager's advice.

9. Disclose to the client the extent of fidelity or other contractually required insurance carried on behalf of the Manager and/or client and any subsequent changes in coverage, which occur during the Manager's engagement if the amount is lower than the contract amount requires. This standard does not require the Manager to carry fidelity insurance unless an AAMC company or required by the contract. The change is based upon any decrease in contractually disclosed/required coverage and/or fidelity bond coverage.
10. If the Manager is responsible for handling funds for a client, that client must have at least one, independent cash account. This standard does not preclude a Manager from initially depositing payments into a central account with funds promptly distributed to individual client accounts, nor does it prohibit a central disbursement or payroll account that is promptly reimbursed by each client's individual cash account. When a Manager's engagement has ended for a client, all funds must be returned to the client the earlier of:
- the time limit under state statute, or
 - the time limit in the existing management agreement, or
 - within 30 days of the end of the Manager's engagement (see also #12)

The Manager shall prepare and furnish to the client accurate and timely financial reports in accordance with the terms of the management agreement, job description or duly adopted Board policies.

11. Original records, files, and books are those items that were given to the Manager at the beginning of his or her engagement or were developed by the Manager and/or the client during the period of the Manager's engagement. This definition may be further expanded by the management agreement. Unless provided in such an agreement or otherwise, the Manager has no obligation to provide the client with client-related computerized data unless the client owns the computer and software and such data can be separated from that data and software which are proprietary to the Manager. For example, if the Manager is a company that maintains homeowner information on its central computer, the Manager shall provide a printout of the homeowner information for the client, but need not provide that data via disk or tape. Those items that the Manager brought to and used during the engagement, such as operation or procedure manuals, remain the property of the Manager.

While the Manager must turn over all records, files, and books, he or she may retain photocopies of those key materials that might be necessary for the Manager in dealing with post-engagement client-related matters. Return of these items should be consistent with the schedule outlined in #10 above. The Manager shall maintain a duty of confidentiality to all current and former clients, commencing the effective start date of the relationship and continuing through infinity.

12. Refrain from criticizing competitors or their business practices; Act in the best interests of their Employers; Maintain a professional relationship with our peers and industry related professionals.
13. Shall conduct themselves in a professional manner at all times. Self-explanatory.

D. Future

The Board of Trustees may expand application of this Code, and CAI reserves the right to update, or amend both the Professional Manager Code of Ethics and the Code Clarification Document. Any such revision, updating or amendment shall be promptly promulgated to CAI Manager members and, after due notice, will apply to all members subject to the Code.

E. Disciplinary Action

After an internal investigation and hearing as provided in CAI's Ethics Enforcement Procedures Policy, a Manager found to be in violation of this Code shall face a sanction in accordance with the enforcement policies adopted by the CAI Board of Trustees. The extent of such sanction shall be commensurate with the nature, severity, and intent of the violation. In a situation where a firm, principal(s) or supervisory staff are involved, sanctions may be imposed on more than one individual or the firm itself.

Please answer the following questions.

Have you ever been involved in reorganization for the benefit of creditors or in bankruptcy as a debtor? *If yes, attach a detailed explanation.* Yes No

Have you ever been convicted of fraud, misrepresentation, misappropriation of funds or property? *If yes, attach a detailed explanation.* Yes No

Do you know of any reason why you would be unable to obtain bonding? *If yes, attach a detailed explanation.* Yes No

Have you ever been subject to disciplinary action by any professional organization? *If yes, attach a detailed explanation.* Yes No

F. Signature

By signing below, I agree to abide by the CAI Professional Manager Code of Ethics and to be subject to disciplinary action as adopted by the Board of Trustees. All of the information provided by me is complete and correct to the best of my knowledge and belief. If I made or at any time make statements with knowledge of its falsity, I understand that it shall be cause for denial or revocation of the PCAM designation.

Printed Name

Signature

Firm name (if employed by a firm or are a principal or supervisory staff member of the firm)

Printed name and signature of an officer of that firm, if applicable

Acknowledged before me on this day:

Notary Signature

Notary commission expiration date

**Code of Ethics Enforcement Procedures for the
Community Associations Institute's Designation Ethics Committee**

*adopted CAI
Board of Trustees 5/6/95
revised 9/99*

A. Scope

The procedures which follow shall be applied with respect to any alleged violations of the published PROFESSIONAL MANAGER CODE OF ETHICS or PROFESSIONAL RESERVE CODE OF ETHICS of the Community Associations Institute ("CAI"). Individuals who have achieved the PCAM and/or the AMS designations and Management Companies with the AAMC designation are subject to the Managers Code. Individuals who have achieved the RS designation are subject to the Reserve Code.

Each PCAM, or AMS professional manager, or RS member is personally responsible for his or her actions, and any complaint or eventual sanctions shall be against the individual and not against any association or firm.

Each AAMC member is responsible for the actions and omissions of its employees, and any complaint or eventual sanctions shall be against the company and may be against the individuals as well. For purposes of these procedures, the term "Designee" shall apply to a PCAM, AMS, AAMC or RS member.

B. Ethics Committee Organization

1. The Designation Ethics Committee shall be comprised of fifteen to eighteen members and shall report to the Board of Trustees of CAI. Each term of each member shall be for three years and the terms of the members shall be staggered so that five to seven members' terms shall expire each year. Committee members' terms shall run concurrently with the terms of the Trustees and Officers of CAI. All appointments to terms shall be made by the President of CAI effective on the first day of the term of the President of CAI.
2. Of the total members of the Designation Ethics Committee, twelve members shall be PCAM Designees, and three shall be non-manager members of CAI (at least one of which is a homeowner), and will include the Chair and Vice Chair of the Reserve Professionals Committee. Each annual appointment of five to seven members shall include the appointment of four PCAM Designees, one non-manager member of CAI and the Chair and Vice Chair of the Reserve Professional Networking Committee. Current Officers of CAI may not serve as a member of the Designation Ethics Committee at the same time they are serving as Officers.

3. Members may be re-appointed to successive terms without limitation. In the event that a member resigns or is unable to serve, the then current President of CAI shall appoint a replacement committee member for the balance of the unexpired term.
4. The President of CAI shall designate the Chairperson (the "Chairperson") and the Vice-Chairperson (the "Vice-Chairperson") of the Designation Ethics Committee. The Chairperson and the Vice-Chairperson shall serve one-year terms in such capacity, provided however, that they may be re-appointed to succeed themselves for no more than three successive terms. The Vice-Chairperson shall perform all the duties of the Chairperson at any time that the Chairperson is unable to do so.

C. Allegations

1. Any person, including a Designation Ethics Committee Member, (the "Complainant") may initiate a complaint regarding alleged violations of the Professional Manager Code of Ethics or the Reserve Specialist Code of Ethics (the "Code") by submitting to CAI's Chief Executive Officer a written complaint (the "Complaint"), signed by the Complainant, specifying:
 - a. the identity of the Designee who is alleged to have violated either Code (the "Accused Designee") and the nature of the alleged violation. An Accused Designee may be an individual with a PCAM and/or AMS designation, or with a RS designation, or a management company with an AAMC designation;
 - b. evidence (which may include corroborating statements by other persons or specific information as to persons who may be contacted to provide such corroboration) supporting the allegation(s); and
 - c. complainant's name, address and telephone number.
2. All Complaints shall be promptly forwarded by CAI's Chief Executive Officer to the Designation Ethics Committee Chairperson. If the complaint originates in the market area of the Chairperson, CAI's Chief Executive Officer shall release the complaint to the Vice-Chairperson. (In that circumstance, the Vice-Chairperson shall perform the functions of Chairperson for this Complaint only.) The Chief Executive Officer shall also advise the Ethics Designation Chairperson of all designations held by the Accused Designee and all dates such designations were received.
3. Upon receipt of the Complaint, the Chairperson may make such inquiries and preliminary investigations as to the matters covered by or related to the Complaint as he or she deems appropriate in his or her sole discretion. However, allegations based on incidents that occurred before the Accused Designee received his or her designation(s) will not be considered further by the Designation Ethics Committee.

4. Within thirty (30) days from the date on which the Complaint is received by the Chairperson, the Chairperson shall reach one of these determinations, in his or her sole discretion:
 - a. an additional time period of no more than thirty (30) days is needed in order for the Chairperson to determine whether the Designation Ethics Committee should conduct an Inquiry pursuant to Section D hereof; or
 - b. further consideration of the Complaint, including a determination as to whether the Designation Ethics Committee should conduct an Inquiry, should be suspended until the completion of other proceedings or the occurrence of other events specified by the Chairperson; or
 - c. the information and evidence set forth in the Complaint together with any additional information subsequently coming to the attention of the Chairperson do not constitute sufficient grounds for consideration by the Designation Ethics Committee, or the Complaint contains unreliable or insufficient information or is patently frivolous or inconsequential, therefore no further investigation shall be conducted and no sanctions shall be considered; or
 - d. the information and evidence set forth in the Complaint together with any additional information subsequently coming to the attention of the Chairperson do constitute sufficient grounds for the Designation Ethics Committee to conduct an Inquiry pursuant to Section D hereof (an "Inquiry Determination").
5. The CAI Chief Executive Officer shall provide prompt written notice to the Complainant of any determination made by the Chairperson pursuant to Section C.4 hereof. The Complainant shall be advised that they are not entitled to any relief or damages by virtue of this investigation process, although they will receive written notice of any actions taken.
6. In the event of an Inquiry Determination, the CAI Chief Executive Officer also shall provide prompt written notice to the Accused Designee:
 - a. that the Complaint has been filed;
 - b. of the nature of the violations that are the subject of the Complaint; and
 - c. that the Complaint has been referred to the Designation Ethics Committee for an Inquiry pursuant to Section D hereof.
 - d. the name(s) of the Complainant(s) will not be provided until and unless a Hearing is required.

Such notices to the Complainant and to the Accused Designee shall include a copy of these Enforcement Procedures.

D. Inquiry

The following procedures shall govern any Inquiry by the Designation Ethics Committee:

1. The Chairperson shall assign one or more Designation Ethics Committee member(s) ("Investigating Committee Member") the task of conducting an Inquiry as to the merits of the Complaint with the cooperation of the CAI Chief Executive Officer or his/her Designee.
2. All inquiries shall be conducted with the utmost confidentiality, with correspondence marked "Personal and Confidential". Only the following people should be advised of an Inquiry:
 - a. the Chairperson;
 - b. the Investigating Committee Member;
 - c. the Accused Designee(s) (see D.3 below)
 - d. the Complainant;
 - e. others who may have to be contacted as part of the investigation; and
 - f. the Chief Executive Officer of CAI and such CAI national staff members as are determined by the Chief Executive Officer of CAI to be essential in order to carry out the purposes of these Procedures.

All persons involved in the conduct of an Inquiry shall exercise their best efforts not to reveal the identity of the Complainant and to maintain integrity, impartiality, and confidentiality of the process.

3. Complaints involving an AAMC member or those PCAM or AMS members affiliated with an AAMC member shall follow these additional guidelines:
 - a. The definition of The Accused Designee may include the firm as well as the PCAM member responsible for the AAMC Member's management program and may include other Designees;
 - b. the AAMC member is responsible for the ethical behavior of all employees, including any PCAM or AMS Designees under its direction, so the AAMC designation is subject to sanctions for violations of any of its affiliated staff members;
 - c. the person responsible for the AAMC member's management program ("Supervising" PCAM member) will be advised of any complaint regarding the AAMC or any affiliated Designees;

- d. to the extent possible, the procedures described herein, including a hearing, shall be conducted simultaneously in situations where the AAMC member and one or more of its affiliated Designees are involved;
 - e. any determination will recognize and be in accordance with established legal principles of responsibility and liability with respect to agency law and the employer/employee relationship;
 - f. resulting sanctions, if any, may vary against those involved based upon degree of violation and responsibility.
4. Since the nature and seriousness of each alleged violation will vary, the Investigating Committee Member shall use personal judgment regarding the degree of investigation required. The Inquiry may include such actions as:
 - a. telephone conversations with individuals involved;
 - b. requests for written or published materials; and
 - c. visits to the locations(s) involved.
 5. Within sixty days after the date of the Inquiry Determination, the Investigating Committee Member shall issue a written report to the Chairperson with a copy to the CAI Chief Executive Officer. This report shall explain the steps of the investigation and the basis for the recommendation, and shall include all related documents, correspondence, and other materials obtained and considered during the investigation. Included in this report must be one of the following recommendations:
 - a. no hearing is needed; or
 - b. no hearing is needed but a Letter of Warning as defined in 7b below should be sent; or
 - c. a hearing should be conducted.

In the event the report recommends conducting a hearing, CAI's Chief Executive Officer shall forward to CAI's legal counsel a copy of the entire file, including the report compiled by the Investigating Committee Member and the related documents. After consultation with CAI's counsel and the Chief Executive Officer, the Chairperson shall determine whether there is sufficient evidence to proceed with a hearing. If the Chairperson determines that there is not sufficient evidence, the Chairperson may request the Investigating Committee Member to pursue additional information. Within thirty (30) days of receiving such a request, the Investigating Committee Member shall obtain, if possible, and submit to the Chairperson and CAI's Chief Executive Officer, such supplemental information.

6. Within thirty days after his or her receipt of such report, the Chairperson shall make a recommendation to the CAI Chief Executive Officer in writing regarding which of the three actions is required. If the Chairperson has requested additional information under the provisions of Paragraph 5, he or she shall send the recommendation to the Chief Executive Officer within fifteen (15) days of receiving the supplemental information, or of being informed by the Investigating Committee Member that such information would not be available.
7. Within ten days after receipt of the Chairperson's recommendation, the CAI Chief Executive Officer shall provide written notice to the Accused Designee indicating which of the following recommendations the committee has decided:
 - a. A letter is sent indicating there will be no hearing conducted nor Letter of Warning issued so no sanctions will be considered with respect to the Complaint.
 - b. A Letter of Warning is sent to the Accused Designee. This Letter indicates that there was or there is the potential for impropriety which does or could border on a violation of the Code. Additionally, the Letter of Warning shall stipulate that a hearing may be convened should additional complaints be received or further evidence be received that indicates a violation has occurred.
 - c. A letter is sent indicating that there will be a hearing and it will be scheduled not less than twenty days and, unless a later date is reasonably requested by the Accused Designee and agreed to by the Chairperson, no more than sixty days after the date of such notice.

A copy of this written notice shall be provided to the Complainant, the Investigating Committee Member and the Designation Ethics Committee Chairperson.

E. Designation Ethics Committee Hearing

1. Unless the Chairperson and the CAI Chief Executive Officer decide otherwise, a single hearing will be conducted regarding the same or similar complaints even if they are against more than one Designee affiliated with an AAMC member and the AAMC member.
2. Notice of the Hearing shall be issued to the Accused Designee, the Complainant and the members of the Hearing Panel (the "Parties"). The Hearing Panel shall be composed of the Chairperson or Vice-Chairperson of the Designation Ethics Committee and at least four other Committee members, selected by the Chairperson, who have not been involved in the Inquiry. If the Accused Designee holds a RS designation, the Chair and/or Vice Chair of the Reserve Professionals Networking Committee will be selected, as well as at least two other members of the Designation Ethics Committee. Included in this notice will be:
 - a. the date, location and time of the hearing;

- b. the names and addresses of the Parties (this is the first time that the Accused Designee shall be advised by CAI of the name of the Complainant);
 - c. copies of all written evidence pertaining to the Complaint that has heretofore been obtained by CAI in the course of the Inquiry, including the Complaint, and the report of the investigating Committee Member;
 - d. a statement that the Accused Designee is entitled to submit a written statement or any other written materials to the Designation Ethics Committee prior to the Hearing; and
 - e. a statement that all participants, including CAI, are entitled to legal counsel and may bring further written evidence or materials to the Hearing; and
 - f. a statement that the Accused Designee has been asked to appear and must notify CAI no later than fourteen days prior to the hearing whether they will attend. In the absence of such notice, the Hearing Panel may conduct a telephone hearing in which the Accused Designee may participate. Should the Accused Designee not respond or participate in such a telephone hearing, the Hearing Panel shall act without his or her involvement
3. A recording secretary or stenographer shall record the Hearing, and a transcript of such record shall be provided to each Party, upon request and payment to CAI for costs.
 4. Three members of the Hearing Panel, including the Chairperson or Vice-Chairperson, shall qualify as quorum with a majority of those present necessary to reach any decision.
 5. The Hearing shall be conducted under the following procedures:
 - a. hear Complainant and/or other witnesses outlining the allegations; receive any written evidence.
 - b. hear the report of the Investigating Committee Member(s).
 - c. hear the Accused Designee(s) and/or witnesses called by him/her, then receive any written evidence.
 - d. hear the Complainant's rebuttal.
 - e. hear any final comments from the Investigating Committee Member(s).
 - f. hear the Accused Designee's rebuttal to any charges.

All Hearing Panel members are able to question or seek additional clarification at each of these steps, in the presence of the Accused Designee.

6. Immediately following the Hearing, the Hearing Panel shall reconvene in private executive session to reach a decision. The Chief Executive Officer and CAI's legal counsel may attend the executive session in a non-voting capacity.

The Investigating Committee Member, the Complainant and the Accused Designee shall not be present during the deliberations and voting regarding the case before the Hearing Panel. These individuals may be called back to answer questions during deliberations.

The decision shall be issued in writing by the Chief Executive Officer within thirty days after the Hearing. All Parties involved shall be advised in writing of the decision.

The Hearing Panel can generally reach one of these two decisions:

- a. Dismiss the charges, in which event, there is no further recourse within CAI; or
- b. Determine that the Accused Designee has committed a violation of one or more of the sections of the Code and is subject to sanction.

F. *Sanctions*

If the Hearing Panel determines that an Accused Designee has violated one or more provisions of the Code of Ethics and a sanction is required, these sanctions are available:

1. Admonishment

The Hearing Panel can instruct the CAI Chief Executive Officer to issue a letter to the Accused Designee criticizing his or her actions and warning of the consequences of subsequent violations. Copies of the letter shall be issued to the Parties and to the Chief Executive Officer of the local CAI chapter (if any) in the area in which the violation occurred.

2. Censure

The Hearing Panel can instruct the CAI Chief Executive Officer to issue a letter to the Accused Designee condemning their actions. Copies of the letter shall be issued to the Parties and to the Chief Executive Officer of the local CAI chapter (if any) in the area in which the violation occurred.

3. Suspension

The Hearing Panel can recommend to the CAI Officers that the designation or designations of the Accused Designee be suspended for one year. If such recommendation is approved by a vote of the majority of the Officers such suspension shall become effective as of the date of that meeting.

If majority vote is not obtained, the Accused Designee shall be censured in accordance with Section F.2 hereof. The CAI Chief Executive Officer shall send a written notice of any suspension or censure to all parties and to the Chief Executive Officer of the local CAI chapter (if any) in the area in which the violation occurred.

4. Revocation

This sanction is reserved for the most serious of offenses. The Hearing Panel can recommend to the Officers that the designation or designations of the Accused Designee be revoked. If such recommendation is approved by a vote of eighty percent (80%) of the Officers, such revocation shall become effective as of the date of that meeting.

If that eighty percent (80%) vote is not obtained, a second vote shall be taken with respect to a one-year suspension in accordance with Section F.3 hereof. If the required majority vote is not obtained, the Accused Designee shall be censured in accordance with Section F.2 hereof. The CAI Chief Executive Officer shall send a written notice of any revocation to all Parties and to the Chief Executive Officer of the local CAI chapter (if any) in the area in which the violation occurred.

5. Resignations or Other Settlement

In lieu of the imposition of any sanctions, the Board of Trustees may, by a majority vote, determine to accept the resignation of the Accused Designee or to accept other arrangements in the nature of settlement that are proposed by the Accused Designee. The terms of any such resignation or other settlement arrangements shall be as determined by the Board of Trustees. If the Accused Designee submits a resignation in lieu of accepting sanctions as determined by the Designation Ethics hearing panel, the Accused Designee will not be permitted to request reinstatement.

The Board of Trustees reserves the right to review the decision of the Officers regarding any SUSPENSION or REVOCATION. This review is initiated by the Chief Executive Officer of CAI appointing three Trustees (all independent of the Complainant or Hearing Panel) whose sole focus is to determine if the Hearing Panel recommendation was inappropriate either because of material errors of fact or because the Panel failed to substantially conform to CAI's published criteria, policies, or procedures.

An announcement of a censure, suspension, revocation or other sanction considered severe by the Designation Ethics Committee shall be published in those National and/or chapter periodicals defined by the appropriate designating committee.

The announcement shall include the name(s) of the Designee(s), the types of sanction(s), and the section(s) of the Code which were determined to have been violated.

G. *Special Situations*

1. State or Regulatory Body Revocation

If any state or regulatory body that requires a certificate, license, permit or other type credential to act as a community association manager or management company revokes such credential of a PCAM member, AMS member, and/or AAMC member for cause, then such member's designations shall be revoked by CAI automatically. If any state or regulatory body that requires a certificate, license, permit or other type credential to act as a Reserve Specialist revokes such credential of a RS member, then such member's designation shall be revoked by CAI automatically.

2. Invalid Application Information

The awarding of a PCAM, AMS, AAMC, or RS designation or redesignation is partially dependent upon application information and affirmations made by the applicant and subsequent Designee.

CAI reserves the right to revoke any designation for a period of three years should it be proven that the application or affirmation contains substantive information, which is incorrect, invalid or fraudulent. Such revocation would only take place after CAI completes similar procedures described in an Inquiry as described above allowing for greater CAI staff participation, if appropriate, instead of a Committee member. All communications and other relevant information regarding the cause for such revocation shall remain in the Designee's file for relevant follow-up should the Designee re-apply after the three-year revocation period.

3. Failure to Properly Redesignate

There are requirements for each Designee to retain his or her designation. Proof of meeting those requirements is requested of the Designee on a scheduled basis. The Designee has an obligation to be aware of those redesignation requirements and to provide that information requested by CAI to demonstrate compliance.

After two written requests for such information is made to the Designee, CAI reserves the right to revoke the designation for failure to meet current redesignation requirements.

4. Violations of CAI membership requirements

PCAM, AMS, AAMC, and RS members are required to hold a membership in CAI. If membership in CAI lapses, the Designation(s) will be automatically revoked if, after three attempts (including one notification sent by certified mail) the Designee does not rejoin paying all applicable dues.

As a CAI member, all Designees are obligated to keep CAI member address records current. All notices will be sent to the current address listed in the CAI database.

5. Non-Payment of PCAM, AMS, AAMC or RS fees

In the event that a Designee has not made timely payments of PCAM, AMS, AAMC, or RS fees after two billings:

- a. The CAI Chief Executive Officer or his or her Designee shall send a certified letter advising the Designee that continued non-payment of fees will result in suspension of the designation.
- b. If payment is not received by CAI within thirty (30) days after the warning letter was issued; the Designation shall be suspended automatically. Notice of such suspension shall be provided to the Designee, the Chairperson of the Credentials Policy Committee.

6. Conviction of a Felony

If a Designee (or the PCAM responsible for an AAMC member) is convicted of a felony or enters a "no contest" or "guilty" plea regarding any felony, the Designation shall be revoked immediately by the CAI Chief Executive Officer. Notice of such action shall be provided to the Designee, the Chairperson of the Credentials Policy Committee, the Designation Ethics Committee and the local CAI Chapter President.

H. *Use of Designation(s)*

No individual or company which has had a designation suspended or revoked or has resigned, regardless of cause, may use the designation in any fashion during the term of the suspension or revocation. CAI is committed to taking whatever action is required, including legal action, should this provision be violated.

I. Reinstatement Provisions

1. A sanctioned individual or company ("Former Designee") may apply to CAI for reinstatement, subject to the provisions contained herein. The Former Designee understands that CAI gives no assurance of reinstatement by accepting a request.
2. The standing CAI Committee or Review Board which recommends the initial designation (that was sanctioned) will review and recommend approval or rejection of a reinstatement request, taking into consideration these factors:
 - a. the original cause(s), facts, and circumstances surrounding the decision to suspend or remove the designation; and
 - b. the Former Designee's current situation; and
 - c. how the Former Designee has addressed the original reason(s) for designation removal.

These deliberations may take place outside the public committee meetings held at each conference, as determined by the respective Committee or Review Board Chairperson.

3. No reinstatement request will be considered unless:
 - a. The Former Designee meets all the current qualifications for redesignation, as if no loss of designation had occurred, and;
 - b. All past and current unpaid CAI dues and fees must be paid, and;
 - c. The request is received in writing, at the CAI National Office, on or before the fifth anniversary of the date of the letter informing the Former Designee of the designation removal.
 - d. If a former PCAM designee has been inactive for six or more years, reinstatement will require successful completion of a PMDP refresher course, submission of a new PCAM Application and successful completion of a new PCAM Case Study.
4. CAI National Staff have no obligation to issue reminders regarding reinstatement requirements or time limits. Each Former Designee shall have received a copy of these Procedures and therefore is appropriately advised. Should a Former Designee request reinstatement after the three-year limit, the appropriate Committee or Review Board will determine the requirements which will include all of the above (as appropriate) and may include qualification for the original designation.

J. *Application of Procedures*

1. A Designee is subject to the Code of Ethics Procedures in effect when the Complaint is received.
2. A Former Designee is subject to the reinstatement provisions in effect when a request for reinstatement is received.
3. CAI reserves the right to amend these Procedures as it determines is appropriate.
4. Should a court determine that one or more of these Procedures is unenforceable, the rest of the Procedures remain in force.