



# The Board of Directors' Test

No.	QUESTIONS	True	False
1	The association board of director's authority is set forth in the articles of incorporation.		
2	The association by-laws set forth how (a) directors and officers are elected; (b) notice requirements for meetings; (c) who is eligible to vote; (d) the terms for officers and directors.		
3	Original by-laws can be amended to reflect the changing needs of the association.		
4	The procedures for amending the by-laws require a unanimous vote of the association membership.		
5	State law requires that board members read the by-laws prior to taking office.		
6	By-laws take precedence over state law.		
7	The procedures set forth in the By-laws are only advisory and need not be followed.		
8	Actions of a Board can be invalidated if the board was not properly elected or formed.		
9	A Not For Profit community association is not held to the same standard of a For Profit board of directors.		
10	The board of directors' cannot be sued if it chooses not to enforce the rules set forth in the CC&Rs.		
11	The board of director's is only responsible for claims asserting monetary damages.		
12	The board does not need to read the CC&Rs or the By-laws. That is what a management company does.		
13	The CC&Rs take precedence over state law.		
14	The CC&Rs need to be updated periodically to comply with new changes in the law.		
15	The board is not responsible for conduct of the management company and or its employees.		
16	The CC&Rs do not apply to board members if he or she has not read the CC&Rs and By-laws.		
17	The board of directors are required to adhere to all rules promulgated by the hired property managers.		
18	The advice of an attorney creates immunity from liability for the board.		
19	The board cannot be sued if the community association fires or harasses an association employee.		
20	All D&O policies provide coverage for the failure of the board to obtain or maintain insurance and the only issue is to purchase the least expensive policy, because all policies provide the same coverage.		
21	All D&O policies provide coverage for breach of contract claims by a third parties/business partners.		
22	The Board of directors, the association, or association volunteers cannot be sued for defamation, because they have volunteer immunity.		
23	The board of directors has no exposure if there is a data breach of association information, even if the association information was the result of the management company being breached.		
24	A board or its association is only liable for damages up to the amount of its insurance limits.		
25	If the board of directors has insufficient insurance limits, or deficient coverage, the association members cannot be held responsible as long as the policy purchased was the cheapest policy offered.		
26	Any duly elected board member can make unilateral decisions throughout the association as they deem necessary.		



