

# **TOLUCA LAKE HOMEOWNERS ASSOCIATION** **BY-LAWS**

Fourth Revision Adopted October 12, 2010

## **ARTICLE I**

### **NAME**

The name of this Corporation shall be TOLUCA LAKE HOMEOWNERS' ASSOCIATION.

## **ARTICLE II**

### **PURPOSE**

The objects and purpose of this Corporation shall be as set forth in its Articles of Incorporation.

## **ARTICLE III**

### **MEMBERSHIP**

**Section 1. ELIGIBILITY.** Any person interested in the objects and purpose of this Corporation and who is a property owner or a resident of Toluca Lake is eligible for membership. For the purposes of the By-Laws, Toluca Lake shall be described as that area bounded on the north by Camarillo Street; on the east by the alley parallel to Pass Avenue (south of Riverside Drive) and Clybourne Street (north of Riverside Drive); on the west by Cahuenga Boulevard, and on the south by the Los Angeles River, in the County of Los Angeles, State of California.

**Section 2. ADMISSION TO MEMBERSHIP.** Any person who is eligible for membership and who shall sign and file with the Corporation a written application for membership, accompanied by the entrance fee as prescribed by the Board of Directors, shall be admitted to membership. For purposes of this section, "written application" shall include a check signed by the applicant in the amount of the entrance fee. One membership shall

entitle the spouse and the children residing with the member to the privileges of membership, except for the privilege of voting. A real property owner may hold one membership for each parcel of real property owned in Toluca Lake.

**Section 3. VOTING.** The right to vote is conferred upon each member in good standing who is also the owner of real property in Toluca Lake. In the event that one parcel of the real property is owned by more than one person, the owners of that parcel of real property shall have one vote only. In the event that any person owns more than one membership, that person shall be entitled to one vote for each membership. For the purposes of these By-Laws, a person entitled to vote shall be designated a “voting member”.

**Section 4. HONORARY MEMBERS.** Any individual who has rendered outstanding service to the Corporation may become an honorary member upon the unanimous vote of the Board of Directors at any meeting thereof regularly held. Honorary members shall enjoy the rights and privileges of membership excepting the right to vote of the right to hold office.

#### ARTICLE IV

#### MEETINGS OF THE CORPORATION

**Section 1. ANNUAL MEETING.** The Corporation shall hold its annual meeting for the election of directors and such other business as is proper to come before it at a time set by the Board of Directors during the month of March. The Corporation may hold such other regularly scheduled meetings of general membership as the Board of Directors shall determine are necessary or advisable.

**Section 2. SPECIAL MEETINGS.** Special meetings of the Corporation may be called at any time by the President, any five members of the Board of Directors or by written request stating the purpose of said meeting signed by twenty-five percent (25%) of the voting members and filed with the President or Secretary of the Corporation at the offices of the Corporation.

**Sectoin 3. PLACE OF MEETING.** All meetings of the Corporation shall be held at such place as shall be determined by the Board of Directors.

**Section 4. NOTICE OF MEETINGS.** Written notice of all meetings specifying whether it is the annual meeting, other regularly scheduled meeting or a special meeting shall be given by the Secretary to every voting member. Notice of the annual meeting shall be given by the Secretary to every voting member. Notice of the annual meeting must be given not less than five days prior to the meeting in accordance with Article X, Section 6.

**Section 5. QUORUM.** Fifteen percent (15%) of the voting members present in person or by proxy shall constitute a quorum for the transaction of business at all meetings except in those matters wherein a different vote shall be specifically required. Except as otherwise specified in Article VII, Section 5, the affirmative vote of a majority of those present in person or by proxy shall be sufficient to constitute a valid act of the Corporation.

**Section 6. VOTING.** Every voting member shall be entitled to one (1) vote either in person or by proxy for each director's office which is vacant or any proposition acted upon at any meeting of the Corporation. Cumulative voting shall not be allowed.

## **ARTICLE V** CORPORATE SEAL

The Corporation may maintain a corporate seal, bearing the words "TOLUCA LAKE HOMEOWNERS' ASSOCIATION incorporated February 5, 1965."

## **ARTICLE VI** OFFICE

The Corporation shall maintain its principal office for the transaction of business at such place within the County of Los Angeles, State of California, as shall be determined by the Board of Directors.

## **ARTICLE VII** BOARD OF DIRECTORS

**Section 1. NUMBER OF DIRECTORS.** The direction, control and government of the Corporation and the entire business affairs of the

Corporation shall be vested in a Board composed of fifteen (15) members, all of whom shall be elected by the voting members of the Corporation. The Board of Directors shall have the power to confer the title of Director Emeritus upon any person who has served on the Board of Directors of the Association for not less than three cumulative terms. There is no limit on the number of Directors Emeritus. Directors Emeritus shall be entitled to attend regular meetings of the Board, on special meetings by invitation, and to provide advice and counsel to the Board. However, Directors Emeritus shall not be entitled to vote on the matters that come before the Board.

**Section 2. ELIGIBILITY.** Any voting member of TOLUCA LAKE HOMEOWNERS' ASSOCIATION shall be eligible to serve as a director.

**Section 3. TERM OF OFFICE.** All directors shall serve for one (1) year and shall be eligible for re-election or re-appointment. However, no director shall be eligible to serve more than five (5) consecutive terms of office. Upon the election of a director to a fifth consecutive term, that director shall not be eligible to seek election for a period of one year. At the annual meeting, a majority vote of the members, present or voting by proxy, shall constitute a choice.

**Section 4. POWERS.** The corporate powers of the Corporation shall be vested in and exercised by its Board of Directors by a majority of a quorum thereof unless otherwise expressly provided in these By-Laws. The Board of Directors shall have the following powers in addition to those now of hereafter conferred by law:

a. To conduct, manage and control the affairs and business of the Corporation and to make such rules and regulations and adopt such rules and regulations and adopt such policies therefore and with respect thereto as it may deem consistent with the By-Laws from time to time existing, the Articles of Incorporation and the purposes of the Corporation as therein specified.

b. To select and remove all officers, agents and employees of the Corporation and to prescribe their respective duties.

- c. To fix and locate from time to time the office of the Corporation.
- d. To adopt, make, use and alter the form of corporate seal.
- e. To accept and receive gifts and other transfers of money and other property and interests therein, in trust or any other manner authorized by law, to be devoted to or used for or in furtherance of the social welfare purposes for which the Corporation is formed and created, or any of them, and to do any and all lawful things necessary or convenient in connection therewith or incidental thereto.
- f. To borrow money and incur indebtedness, in an amount no greater than the total dues revenue of the Corporation for the year ending December 31<sup>st</sup> immediately prior, for the purposes for which the Corporation is formed and created and to cause to be executed and delivered therefore its corporate name, promissory notes, bonds, deeds of trust, mortgages, instruments of pledge, instruments of hypothecation and other evidences of debt and provide security for the payment thereof.
- g. To approve the annual budget of the Corporation.
- h. To fill any and all vacancies occurring in any of the offices of the Corporation or in the Board of Directors.
- i. To adopt, amend or repeal the By-Laws from time to time existing.
- j. Such other powers as may be prescribed in other portions of these By-Laws.
- k. All business transacted at any meeting of the Board of Directors, however called and noticed, shall be valid and effective if a quorum be present thereat, and if a written waiver of notice or consent to the holding of such meeting, or if the minutes thereof be approved in writing by all Directors, or if all Directors are present at such meeting.

**Section 5. NOMINATION FOR ELECTION TO THE BOARD OF DIRECTORS.**

The Nominating Committee shall, not later than December 15 of each year, submit to the Board of Directors for its approval a written report and slate of one (1) candidate to fill the office of each member of the Board of Directors. Upon approval by the Board of Directors, such report and slate of candidates shall be submitted in writing to all voting members of the Corporation, in accordance with Article X, Section 6, on or before January 30 (following submission thereof). Any voting member may nominate a candidate for the office of Director if such nomination is submitted to the Secretary of the Corporation at the offices of the Corporation in writing prior to February 15 following the mailing of such a report. The nominees of the Nominating Committee and by written nomination shall be designated as such on the ballot utilized at the election at the annual meeting. The nominees receiving the highest number of affirmative votes at the meeting shall be elected to fill the existing vacancies. In the event of a tie, additional votes shall be held for that vacancy until a winner is determined. If no additional nominations are received from the general membership by February 15, then the slate shall be deemed adopted, the election at the annual meeting shall be dispensed with, and instead the new Board announced to the general membership of the meeting. No nominations for election to the Board of Directors may be made in any manner other than as prescribed herein. The newly elected Board shall take office effective immediately.

**Section 6. MEETINGS.** The regular meetings of the Board of Directors shall be held at such time and place as the President or a majority of the Board of Directors may from time to time prescribe, but in no event less than six (6) times during each fiscal year of the Corporation. Written notice of the time and place of such meetings and the general nature of the business proposed to be transacted thereat shall be given to each Director, not less than five (5) days prior to the time set for such meeting pursuant to Article X, Section 6. Special meetings of the Board of Directors may be called at any time by the President, or by six (6) or more members of the Board of Directors, or by twenty-five percent (25%) or more of the voting

members on written petition therefore filed with the Secretary of the Corporation.

**Section 7. QUORUM.** Five (5) members of the Board of Directors shall constitute a quorum for the transaction of business.

**Section 8. VACANCIES.** Vacancies on the Board of Directors may be filled for the unexpired term by the remaining Directors, though less than a quorum.

**Section 9. ABSENCES.** Any Director who is absent from three regular meetings of the Board of Directors within one fiscal year may be requested to resign and if the Director refuses or fails to resign, the Board shall be entitled, in its sole discretion, to remove the Director for cause under Corporations Code Section 7221(a) and appoint a replacement. A member of the Board of Directors shall be considered absent from any meeting of the Board only if such Director fails to notify the Secretary of the Corporation, or other designated person, of his intended absence at least three (3) days prior to such meeting.

## **ARTICLE VIII**

### **NOMINATING COMMITTEE**

The Nominating Committee shall comprise five (5) voting members of the Corporation, at least two (2) of whom shall not be members of the Board of Directors, and shall be appointed by the President to serve for a term of one year. Appointments to the Nominating Committee shall be approved by a majority of a quorum of the Board of Directors at a duly convened meeting of the Board.

## **ARTICLE IX**

### **OFFICERS**

**Section 1. OFFICERS.** The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, one or more additional vice presidents, one or more assistant secretaries and one or

more assistant treasurers, and such other officers as may be appointed in accordance with Article IX. One person may hold two of more offices, except those of president and secretary.

**Section 2. ELECTION.** The officers of the Corporation, except such officers as may provisions of Section 3 or Section 5 of this Article IX, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified. At the first regular meeting of the Board of Directors following the annual voting members meeting, the Nominating Committee shall submit to the Board of Directors for vote its recommendations for officers of the Corporation.

**Section 3. SUBORDINATE OFFICERS.** The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall have such authority and perform such duties as are provided in these By-Laws or as the Board of Directors may from time to time specify, and shall hold office until he shall resign or shall be removed or otherwise disqualified to serve.

**Section 4. REMOVAL AND RESIGNATION.** Any officer may be removed, either with or without cause, by majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5. VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

**Section 6. PRESIDENT.** The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the voting members at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws. He shall appoint and have the power to remove the chairman of all committees with the approval of the Board of Directors.

**Section 7. VICE PRESIDENT.** In the absence or disability or the President, the vice presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the power of, and be subject to all the restrictions upon, the President. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors of these By-Laws.

**Section 8. SECRETARY.** The Secretary shall keep, or cause to be kept, a book of minutes as the principal office or such other place as the Board of Directors may order, of all meetings of directors and voting members, with the time and place of holding, whether regular or special, and if special, and if special, how authorized the notice thereof given, the names of those present at directors meetings, the number of persons present or represented at voting members meetings and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office a register showing the names of the members and their addresses; the type of membership held by each, and the date of membership. The Secretary shall give, or cause to be given, notice of all the meeting of the voting members and of the Board of Directors required by these By-Laws or by law to be given, and shall keep and maintain the seal of the Corporation, if any, and shall have such other powers and perform such other duties as may be

prescribed by the Board of Directors called, or if he shall fail to give notice of any special meeting of the voting members called, then any person or persons may give notice of any such special meeting.

**Section 9. TREASURER.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts disbursements, gains, losses, capital, surplus and contributions. The books of account shall at all reasonable times to be open to inspection by any director.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and directors wherever they request it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors of these By-Laws.

## **ARTICLE X**

### **MISCELLANEOUS**

**Section 1. INSPECTION OF RECORDS.** Any member of the Corporation shall have the right to examine the books and records of the Corporation during reasonable business hours.

**Section 2. CORPORATION LAWS.** Any matter pertaining to the operation of this Corporation or affecting its powers, duties, rights or obligations of officers, directors and members not specifically provided for these By-Laws shall be subject to the laws of the state of California pertaining to non-profit corporations.

**Section 3. EXECUTION OF CONTRACTS.** The Board of Directors, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any

instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose of in any amount.

**Section 4. PARLIAMENTARY PROCEDURE.** The duties of all officers and directors, and the parliamentary procedure at all meetings of directors and members shall be as provided in Robert's Rules of Order Revised, unless contrary to the provisions of these Bylaws.

**Section 5. TERMINATION OF ASSOCIATION.** Upon termination of the association, any assets shall be paid and transferred to another exempt organization selected by the Board of Directors, related to the Toluca Lake community, and then qualified under the Internal Revenue Code §501 (c) (3) or (4).

**Section 6. DELIVERY OF NOTICES.** Unless otherwise specified, notice for any purpose under these Bylaws may be effected by hand delivery of written notice; by first class mail, postage pre-paid; by telephone or recorded voice communication; by facsimile; or by electronic mail. Notice shall also be valid if made by announcement in the Corporation's newsletter delivered by one or more of the methods listed above. With respect to Meetings of the Corporation pursuant to Article IV, other than the Annual Meeting, notice may also be given by announcement in local newspapers and other media, in lieu of an announcement in the newsletter.

## **ARTICLE XI** **AMENDMENTS**

**Section 1. POWER OF VOTING MEMBERS.** New By-Laws may be adopted or these By-Laws may be amended or repealed by the vote of voting members entitled to exercise a majority of the voting power of the Corporation or by the written assent of such voting members, except as otherwise provided by law or by the Articles of Incorporation; provided that the vote or written assent of voting members holding more than eighty

percent (80%) of the voting power of the Corporation shall be required to reduce the authorized number of directors below (15).

**Section 2. POWER OF DIRECTORS.** Subject to the right of voting members as provided in Section 1 of this Article XI to adopt, amend or repeal by-laws, by laws other than a by-law or amendment thereof changing the authorized number of directors that may be adopted amended or repealed by the Board of Directors at any regular or special meeting thereof.

**ARTICLES XII**  
**COMMITTEES**

The Committees of the Corporation shall be designated from time to time by the Board of Directors. The committee chairman shall be selected by the President from among the members of the Board of Directors whenever possible. The committee chairmen shall select the members of their own committees from among the voting members of the Corporation.

**CERTIFICATE OF ADOPTION OF BYLAWS**

I, Janice Eaton, certify that I am the duly elected and acting Secretary of TOLUCA LAKE HOMEOWNERS' ASSOCIATION, a California nonprofit mutual benefit corporation, and that the foregoing By-Laws, comprising eleven (11) pages, constitute the By-Laws of said Corporation as duly adopted and ratified by the company's Board of Directors at their meeting October 12, 2010.

I have subscribed my name this 12 day of October 2010.

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JANICE EATON