

BYLAWS
OF
THE SOUTH CARTHAY NEIGHBORHOOD ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

Enacted June __, 2003

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ARTICLE I PURPOSE OF CORPORATION; OFFICES

Section 1 Purpose of Corporation.

This corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. The corporation is organized under the Nonprofit Mutual Benefit Corporation Law for public and charitable purposes. The purpose of this corporation is to preserve, beautify, and maintain the historic character of the South Carthay neighborhood, an Historic Preservation Overlay Zone of the City of Los Angeles (“**Neighborhood**”), to promote security in the Neighborhood, to further the welfare of residents of the Neighborhood, and to provide a forum to address issues which affect the Neighborhood.

Section 2 Principal Executive Office.

The principal office for the transaction of the activities, affairs, and business of the corporation shall be located at the residence of the President. The Board (as defined below) shall have full power and authority to change the principal office from one location to another.

ARTICLE II QUALIFICATIONS AND RIGHTS OF MEMBERSHIP

Section 1 Membership.

The corporation shall have one class of general members (“**Member**”). Any individual of majority age who is dedicated to the purposes of this corporation and who resides and/or owns property in the area bounded by the south side of Olympic Boulevard, the alley north of Pico Boulevard, the alley east of La Cienega Boulevard, and the alley east of Crescent Heights Boulevard, shall be eligible for membership upon submission of a membership application and upon the payment of such dues and fees as the Board shall fix from time to time; provided that any nonresident property owner, regardless of the form of ownership (whether it be by partnership, corporation or otherwise), may have only one membership per property. Membership is not transferable. In addition, Members shall have all rights afforded Members under the California Nonprofit Mutual Benefit Corporation Laws.

Section 2 Termination of Membership.

A membership shall terminate on occurrence of any of the following:

- (a) Resignation of a Member, on reasonable notice to the corporation;
- (b) Failure of a Member to pay dues, fees, or assessments as set by the Board within thirty (30) days notice after they become due and payable; or
- (c) Occurrence of any event that renders a Member ineligible for membership or failure to satisfy membership qualifications.

Notice of termination or expulsion shall be given by any method reasonably calculated to provide actual notice. The Member shall be given an opportunity to be heard, either orally or in writing, at least fifteen (15) days prior to the effective date of termination or expulsion. The Board shall make a good faith determination that the Member has failed in a material and serious degree to observe the rules of conduct of the corporation or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation. The decision of the Board shall be taken by majority vote and shall be final. Any action by a terminated Member to challenge the decision of the Board must be commenced within one year after the date of termination or expulsion. Early termination of membership shall not result in a refund of any portion of dues already paid.

Section 3 Annual Dues.

The Board shall fix from time to time the amount of annual dues and any special fees or assessments by majority vote. The amount of annual dues may not be changed more often than annually.

ARTICLE III DIRECTORS

Section 1 Number of Directors.

The authorized number of Directors of the corporation shall be thirteen (13) and together shall make up the Board of Directors of the corporation ("**Board**"). Directors must be Members in good standing. Each Director must serve as either an Officer or chair a Standing Committee (the position of Officer or chair of a Standing Committee is hereafter referred to as a "**Board Position**")

Section 2 Nominating Directors.

At least sixty (60) days before the date of the Annual Meeting, the President shall select a Nominating Committee whose responsibility shall be to propose a slate of Members who are qualified candidates for election to the Board (the slate shall include, for each candidate, an

indication as to which Board Position the proposed candidate would fill). The Members of the Nominating Committee shall be approved by a majority vote of the Board.

The Nominating Committee shall make its report to the Board at least thirty (30) days before the date of the election. The Board shall review the slate of nominees proposed by the Nominating Committee and shall, by majority vote, approve the individual candidates for submission to the Members for vote at the Annual Meeting.

In addition, any Member may nominate anyone, including himself/herself, for a position on the Board of Directors by written notice thereof to the Secretary at least thirty (30) days before the election, provided that such notice shall indicate which Board Position he/she seeks (“Candidate Notice”). Furthermore, any Member present at the Annual Meeting may nominate anyone, including himself/herself, for a position on the Board of Directors.

The Secretary shall be responsible for listing the names of all candidates so selected by the Nominating Committee or who have provided the Secretary with a Candidate Notice in the newsletter along with notice of the Annual Meeting.

Section 3 Election of Directors.

A Director for each Board Position shall be chosen annually by the majority vote of the Members in attendance at each Annual Meeting, subject to the terms herein. That is, subject to the terms herein, at Annual Meetings each Member may vote for one candidate running for each Board Position. The candidate for each Board Position that receives the majority of the votes shall be elected Director and shall serve in the Board Position to which he/she was elected.

Section 4 Tenure of Office.

The Directors shall be elected at each Annual Meeting of the Members to hold office until the next Annual Meeting and until successors have been duly elected and qualified by the Members.

Section 5 Vacancies.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, or if the Members shall increase the authorized number of Directors but shall fail at the meeting at which such increase is authorized, or at any adjournment thereof, to elect the additional Director or Directors so provided for, or in case the Members fail at any time to elect the full number of authorized Directors.

Vacancies on the Board shall be filled by a majority vote of the remaining Director(s). Each Director so elected shall hold office until a successor is elected and qualified at the next Annual Meeting of Members.

Section 6 Removal of Directors.

The entire Board or any individual Director may be removed from office as provided by Sections 7221, 7222, or 7223 of the California Nonprofit Mutual Benefit Corporation Law, as amended from time to time (the "Code"). Failure by any Director to attend three (3) consecutive meetings may be cause for removal.

Section 7 Resignations.

Any Director may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 8 Compensation of Directors.

Directors, as such, shall not receive any stated salary or other compensation for their services but may, by resolution of the Board, receive reimbursement of their expenses incurred in connection with their services; provided that nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE IV MANAGEMENT

Section 1 Powers of the Members.

A majority vote of Members at an Annual Meeting or Special Meeting, subject to the requirements of Article V, Section 1 below, is required to take any of the following actions:

- (i) Elect a Director;
- (ii) Remove a Director with cause;
- (iii) Approve a contract or transaction between the corporation and one or more Directors, or between the corporation and any entity in which a Director has a material financial interest;
- (iv) Elect to wind up and dissolve the corporation;
- (v) Approve a plan of distribution of assets, other than money, when the corporation is in the process of winding up; or
- (vi) Dispose of all or substantially all of the corporation's assets.

A two-thirds (2/3) vote of Members at an Annual Meeting or Special Meeting, subject to the requirements of Article V, Section 1 below, is required to take any of the following actions:

- (i) Amend the Articles of Incorporation;
- (ii) Amend the Bylaws;
- (iii) Change the number of Directors; or
- (iv) Change the number of Standing Committees.

The actions described in this Article IV, Section 1 are hereinafter referred to as “**Member Actions**”.

Section 2 Powers of the Board.

Subject to the provisions of the Code, and any limitations in the Articles of Incorporation of the corporation and these Bylaws relating to action required to be approved by the Members, the business and affairs of this corporation shall be managed by and all corporate powers shall be exercised by or under the direction of the Board.

Without prejudice to the general powers set forth above, but subject to the same limitations, the Board shall have the power to:

- (a) Appoint and remove all the corporation's agents and employees; prescribe powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws;
- (b) Change the principal office of the corporation from one location to another;
- (c) Adopt and use a corporate seal; prescribe the forms of membership certificates consistent with the provisions of Section 7313 of the Code; and alter the forms of the seal and certificates; and
- (d) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, contracts for services and goods which benefit the corporation.

Section 2 Officers.

The officers of the corporation shall be a President, a Vice President, a Secretary, and a Chief Financial Officer (each, an “**Officer**”). One person may not hold two or more offices.

- (a) President. The President is the general manager and chief executive officer of the corporation and has, subject to the control of the Board, general supervision, direction, and control of the business and officers of the corporation. The President shall preside at all meetings of the Members and at all meetings of the Board. The President has the general powers and duties of management usually

vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

- (b) Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to, all the restrictions upon the President. The Vice President shall serve as advisor to the Standing Committee chairpeople.
- (c) Secretary. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may order, of all meetings of Directors and Members, with the time and place of holding whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of Members present at meetings and the proceedings thereof. The Secretary shall pass along to his/her successor a book of minutes of all meeting held during his/her tenure.

The Secretary shall give, or cause to be given via the corporation's newsletter, notice of all the meetings of the Members and of the Board required by the Bylaws or by law to be given, and he or she shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws.

- (d) Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained in accordance with generally accepted accounting principles, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and earnings (or surplus), if any. The books of account shall at all reasonable times be open to inspection by any Director or Member.

The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board. He/she shall disburse the funds of the corporation as may be ordered by the Board, shall render account of all of his/her transactions 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 or the Bylaws.

Section 3 Committees.

Committees of the Board (each, a "**Committee**") may be designated by resolution passed by the Directors. Committees shall consist of one or more Directors, one of whom shall chair the Committee, and such other Members who desire to be on such Committee. The Committees shall act in an advisory capacity to the Board and shall not have any authority to act on behalf of

the corporation except as specified by the Board. Committee decisions must be ratified by the Board.

Meetings and actions of Committees shall be governed by and held in accordance with the provisions of these Bylaws concerning meetings and other Board actions. The Board may also adopt rules for the government of any Committee which are consistent with these Bylaws or, in the absence of rules adopted by the Board, the Committee may adopt such rules.

Section 4 Standing Committees.

The corporation shall have nine (9) standing Committees (“**Standing Committees**”). A Director shall chair each Standing Committee, but a single Director may not chair more than one Standing Committee. The chairperson of each Standing Committee shall provide a written monthly report to the President on the current activities of such Standing Committee, which report shall be published in the corporation’s newsletter. The Standing Committees and their duties shall be:

- (a) Urban Affairs Committee. The Urban Affairs Committee shall coordinate land use matters affecting the Neighborhood, including planning, zoning, permits, and new construction.
- (b) Membership Committee. The Membership Committee shall coordinate an annual membership drive and membership renewal, keep a database of all Members with their address and email address. The chairperson of the Membership Committee shall keep at the principal office or other location determined by the Board, a record of the corporation’s members, showing each Member’s name, address and date of membership.
- (c) Newsletter Committee. The Newsletter Committee shall publish and distribute the bi-monthly corporation newsletter. The newsletter shall contain notice of all Members’ meetings and meetings of the Board.
- (d) Electronic Communication Committee. The Electronic Communications Committee shall disseminate information to members via email and the internet, including a website.
- (e) Safety and Security Committee. The Safety and Security Committee shall coordinate the patrol of Neighborhood streets and alleys. The Safety and Security Committee shall be the corporation’s liaison with the Senior Lead Officer of the LAPD assigned to the Neighborhood.
- (f) Emergency Response Committee. The Emergency Response Committee shall make plans to assist the Neighborhood in responding to a major emergency.

- (g) Events & Community Relations. The Events and Community Relations Committee shall coordinate events in the neighborhood and shall provide welcome brochures and membership forms to new owners and residents.
- (h) Police Liaison Committee. The Police Liaison Committee shall act as liaison between the police department and the corporation and represent the corporation at Community-Police Advisory Board meetings.
- (i) Pico Neighborhood Council Liaison Committee. The Pico Neighborhood Council Liaison Committee shall be the corporation's representative to the Pico Neighborhood Council ("PNC") and act as liaison between the PNC and the corporation. A member of this committee shall attend all meetings of the PNC.

ARTICLE V MEETINGS

Section 1 Members' Meetings.

(a) Organization. Meetings shall be held from time to time at appropriate and convenient locations designated for that purpose by the President. The President, or in the absence of the President, the Vice President shall call the meeting of the Members to order, and shall act as chairperson of the meeting. In the absence of the President and the Vice President, any Director may serve as chairperson for such meeting. The Secretary shall act as Secretary of all meetings of the Members, but in the absence of the Secretary at any meeting of the Members, the presiding Officer may appoint any person to act as Secretary of the meeting.

(b) Annual Meetings. An annual meeting of the Members shall be held each year on such date as determined by the Board ("**Annual Meeting**"). At the Annual Meeting, the Members shall elect the Board, consider reports of the affairs of the corporation, including the Chief Financial Officer's financial report, and transact such other business as may be properly brought before the meeting. Each Member shall be entitled to cast one vote on each matter submitted to vote of the Members. Voting may be by voice or ballot. Notwithstanding the foregoing, election of Directors must be by ballot if demanded by any Member before the voting begins.

(c) Special Meetings. Special meetings of the Members may be called at any time by a majority vote of the Board or ten (10) or more Members ("**Special Meetings**"). Special Meetings of Members shall be called through an announcement in the corporation's newsletter, specifying that a meeting will be held at a time and place designated.

(d) Notice of Meetings. Notice of the Annual Meeting and any Special Meeting of Members shall be given at least ten (10) but no more than ninety (90) days before the meeting

date through publication in the corporation's newsletter, or through some other form of written notice delivered or mailed to each Member's address/ appearing on the books of the corporation or supplied by him/her to the corporation for the purpose of notice. If no such address appears or is given, notice shall be deemed to have been given to a Member if mailed or delivered to the place where the principal office of the corporation is situated. The notice shall be deemed given at the time it is delivered personally or deposited in the mail.

Notice of any meeting of Members shall specify the place, the day and the hour of the meeting, and (1) in case of a Special Meeting, the general nature of the business to be transacted or (2) in the case of an Annual Meeting, those matters which the Board, at the date of the notice, intends to present for action by the Members. At any meeting where members of the Board are to be elected, the notice shall include the names of the nominees and the positions for which they are seeking election. Approval by Members of any Member Actions is valid only if the notice states the general nature of the Member Action to be voted upon.

(e) Waiver of Notice. Attendance shall constitute waiver of notice, unless objection shall be made at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. 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.

(f) Quorum and Effect of Vote. Ten percent (10%) of the Members shall constitute a quorum at all meetings of the Members for the transaction of business at an Annual Meeting or a Special Meeting except as otherwise provided by the Code, or in the Articles of Incorporation; provided, however, that if any Special Meeting or Annual Meeting is actually attended by less than one-third (1/3) of the voting power, the only matters that may be voted on are those of which notice of their general nature was given. If however, such quorum shall not be represented at any meeting of the Members, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, until the requisite amount of voting Members shall be represented. At such adjourned meeting at which the requisite amount of Members shall be represented, any business may be transacted which might have been transacted at the original meeting.

(g) Proxy. Every Member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the Member's name is placed on the proxy by the Member or the Member's attorney-in-fact.

(h) Record Dates. In order that the corporation may determine the Members entitled to notice of any meeting or to vote or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the date of such meeting nor more than sixty (60) days prior to any other action. If no record date is fixed, then the record date for

determining Members who are entitled to notice, vote and for all other actions shall be, (i) with respect to notice, the business day prior to the date the notice is given, (ii) with respect to voting, the start of given meeting where the vote shall take place, and (iii) with respect to all other action, the business day prior to the date the action is taken.

Section 2 Board of Directors' Meetings.

(a) Notice, Place and Manner of Meetings. Meetings of the Board may be called by the President, Vice President or the Secretary, or any three (3) Directors and shall be held at the principal office of the corporation, unless some other place is designated in the notice of the meeting. Accurate minutes of any meeting of the Board, or any committee thereof, shall be maintained by the Secretary or other Director designated for that purpose.

(b) Regular Meetings. In addition to the Annual Meeting, there will be six (6) meetings of the Board to be held every other month during each calendar year.

(c) Special Meetings; Notices; Waivers. At least forty-eight (48) hours prior notice of the time and place of a Special Meeting of the Board shall be delivered personally to the Directors or personally communicated to them by a corporate Officer by telephone. Such telephoning or delivery as above provided shall be due, legal and personal notice to such Director. Attendance shall constitute a waiver of notice.

(d) Quorum. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except as otherwise provided by the Code, in the Articles of Incorporation, or these Bylaws. The action of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act. The action of the Directors shall be determined by the majority vote of the Directors present at such meeting.

ARTICLE VI INDEMNIFICATION OF DIRECTORS, EMPLOYEES, AND OTHER AGENTS

Section 1 Indemnification of Directors.

The corporation shall, to the maximum extent permitted by Section 7231 of the Code, have power to indemnify each of its agents against expenses, judgements, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation, and shall have power to advance to each such agent expenses incurred in defending any such proceeding to the maximum extent permitted by that law. For purposes of this Article, an "agent" of the corporation includes any person who is or was a Director, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a Director, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or was a

Director, employee, or agent of a corporation which a predecessor corporation or of another enterprise serving at the request of such predecessor corporation.

Section 2 Insurance.

The Board shall purchase and maintain insurance to the full extent it deems necessary and appropriate on behalf of the corporation, 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 VII CORPORATE RECORDS AND REPORTS; INSPECTIONS

Section 1 Records

The corporation shall keep adequate and correct books and records of account and shall keep minutes of the proceedings of its Members, Board, and Committees, and shall keep at its principal office or at the office of its transfer agent or registrar, a record of its Members, giving the names and addresses of all Members. The minutes must be kept in written form. The other books and records shall be kept either in written form or in any other form capable of being converted into written form.

Section 2 Inspection of Books and Records.

Any Member shall have the right at any reasonable time to inspect and copy the records and the minutes as provided by law. Each Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

Section 3 Annual Report; Financial Reporting.

The Board of Directors shall cause annual reports to be presented by the Chief Financial Officer and the chairperson of the Membership Committee to the Members at the Annual Meeting of Members. The annual report shall contain:

- (a) 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 certified by the Chief Financial Officer that they were prepared without audit from the books and records of the corporation;
- (b) a statement of the place where the names and addresses of current Members are located;

- (c) any information required by Section 7233 of the Code to be disclosed to the Members.

ARTICLE VIII EXECUTION OF INSTRUMENTS

Section 1 Checks, Drafts, Etc.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by the President and the Chief Financial Officer or such person or persons and in such manner as shall be determined from time to time by resolution of the Board.

Section 2 Contracts, Etc.; How executed

Subject to the provisions of applicable law, any note, evidence of indebtedness, contract, or other instrument in writing and any assignment or endorsements thereof executed or entered into between this corporation and any other person, when signed by the President and any one additional Officer shall be valid and binding on this corporation in the absence of actual knowledge on the part of the other person that the signing officers did not have authority to execute the same.

The Board, except as otherwise provided in these Bylaws, 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. Such authority may be general or confined to specific instances. Except for matters pertaining to the ordinary and necessary operation of the business of the corporation and in Section 721 of the Code, unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the corporation by any contract or agreement, or to pledge its credit, or to render it liable for any purpose or to any amount.

ARTICLE IX CERTIFICATION, INSPECTION AND AMENDMENT OF BYLAWS

Section 1 Certification and Inspection of Bylaws.

The original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall be kept at the corporation's principal office in California and shall be open to inspection by the Members of the corporation, at all reasonable times.

Section 2 Amendment by Members.

Except as provided in section 7150 of the Code, new Bylaws may be adopted or these Bylaws may be repealed or amended from time to time by approval of the Members of the corporation by two-thirds (2/3) of the Members present and voting at any Annual Meeting or Special Meeting convened for such purpose.

Section 3 Record of Amendments

Whenever an amendment or new Bylaw is adopted, these Bylaws shall be duly amended. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in these Bylaws.