

ROSSMOOR HOMEOWNERS ASSOCIATION

BYLAWS

A DOMESTIC NON-PROFIT CORPORATION

(ARTICLES OF INCORPORATION FILED MAY 3, 1960)

(Revised August 19, 2014)

PREAMBLE

Rossmoor is an unincorporated community located at the northeast corner of the intersection of the I-405 and I-605 Freeways in northwestern Orange County. Rossmoor's primary governing body is the Orange County Board of Supervisors, which has jurisdiction over the community. Parks and other recreational facilities in Rossmoor are governed by the Rossmoor Community Service District. Law enforcement is provided by the Orange County Sheriff's Department and traffic enforcement is provided by the California Highway Patrol.

The Rossmoor Homeowners Association is a 501(c) 4 non-profit corporation organized under the laws of the State of California. Since its formation in 1957, its primary objective has been to preserve the quality of life for the residents of Rossmoor by monitoring the governance and servicing of the community and actively advocating on issues affecting the community. Membership in the Association is voluntary and requires payment of annual dues.

These Bylaws set forth the organization and operating rules for the Rossmoor Homeowners Association.

ARTICLE I: NAME

This organization shall be known as the Rossmoor Homeowners Association, hereinafter referred to as the "Association" or the "RHA".

ARTICLE II: PURPOSE

To be a non-profit corporation dedicated to providing civic service to all of Rossmoor's homeowners and residents, consistent with the provisions of Internal Revenue Code §501(c)(4) and other applicable laws.

ARTICLE III: OBJECTIVES

Section 1 Objectives

- a. To maintain community values through unified action.
- b. To represent the homeowners and residents of the community in protection of property interests.
- c. To maintain an active organization that can speak with one voice for the rights of all before any local, municipal, county or state legislative body, or any individual, organization, association, corporation or other group whose actions, policies, intentions and designs can affect the rights of the homeowners, residents and the community.
- d. To maintain a non-sectarian and non-partisan approach toward the formulation of policies and resolution of problems.
- e. To attend meetings of boards, committees and chambers of local governmental bodies and other organizations in order that the members of the Association

- may be informed as to the actions of those bodies.
- f. To communicate with and elicit input from the community by use of appropriate methods such as general membership meetings and town hall meetings, surveys, newsletters, electronic mail (email) and other appropriate methods.

Section 2 Support and Execution

The Association will support and execute community improvement projects and other civic functions through duly constituted committees when the Board determines such action is appropriate.

ARTICLE IV: MEMBERSHIP

Section 1 Membership Definition

RHA membership is voluntary. Any adult (18 years of age or older) who is a resident or property owner in the community known as Rossmoor shall be eligible for membership in this Association by payment of annual dues with respect to each property address he or she owns or resides. Upon such payment, each and every adult owner and/or resident of the property as to which the payment was made shall be deemed a "member" for the membership year for which such dues were paid; provided, however, that only one vote shall be allowed for each property address with respect to any Association matter and no fractional votes shall be counted.

Section 2 Dues

Membership dues shall be established by the Board annually prior to January 1st each year.

Section 3 Membership Duration

The membership year shall be from January through December.

ARTICLE V: BOARD OF DIRECTORS

Section 1 Terms of Office

The Board of Directors of the Association (the "Board") shall consist of thirteen (13) Directors at large elected to serve a term of two years, commencing on July 1 of the year elected and ending on June 30 of second year. In order to promote continuity on the Board, the Directors' terms shall be staggered as follows: seven (7) Directors will stand for election in odd-numbered years and six (6) Directors will stand for election in even-numbered years.

To be eligible to serve as a Director, a person must have been a member of the Association for a period of not less than six (6) months immediately prior to his or her date of nomination pursuant to Article X, Section 3, or his or her appointment pursuant to Article V, Section 2.

In addition to the foregoing and notwithstanding any provision to the contrary, the Board may appoint a non-voting student member of the Board for a one-year term (September-June) with such responsibilities as the Board may determine, provided only that such student shall reside in Rossmoor at a property of an Association member at the time of appointment.

Section 2 Board Vacancies

If any Director leaves office prior to the expiration of his or her term, the President shall recommend to the Board a replacement. Upon the approval of a majority of the Board, such person shall be appointed as a Director of the Association. Said appointee shall serve only during the unexpired portion of the terminating Director's term.

Section 3 Responsibilities of Board of Directors

The Board of Directors shall be responsible for the management and administration of the Association.

Section 4 Director Participation Requirements

Directors shall be required to attend all Board meetings of the Association. In the event a Director is absent from three (3) consecutive regularly scheduled meetings or a total of five (5) such meetings within the term of office, said Director shall be terminated from office (without a vote of the Board being required) unless, in the opinion of the Board, reasonable justification exists for the Director's absence.

Section 5 Basis for Exclusion from Board

In order to avoid conflicts of interest in carrying out the purposes and policies of this Association, no publicly elected official shall serve on the Board of the Rossmoor Homeowners Association or serve as an RHA committee chair.

ARTICLE VI: OFFICERS

Section 1 Officers and Terms of Service

The officers shall be Directors and shall consist of a President, First Vice President, Second Vice President, Secretary and Treasurer. The officers shall serve a one (1) year term and be nominated and elected by the Directors at the June meeting of the Board pursuant to Article X below.

Section 2 Duties of President

The President shall formulate the agenda and preside at all meetings of the Board. The President shall perform such other duties as he or she may be directed to perform by resolution of the Board not inconsistent with the provisions of these Bylaws.

Section 3 Duties of First Vice President

The First Vice President shall carry out all assignments given by the President and shall exercise all powers, duties and authority of the President during the absence or disability of the President.

Section 4 Duties of Second Vice President

The Second Vice President shall carry out all assignments given by the President and shall exercise all powers, duties and authority of the President during the absence or disability of the President and the First Vice President.

Section 5 Duties of Secretary

The Secretary shall maintain an accurate record of the proceedings of all meetings of the Board, including a record of attendance. The Secretary shall notify the Board if a Director is subject to termination due to lack of attendance. The Secretary shall

be responsible for maintaining a current copy of the Bylaws and distributing the current copy to each Director.

Section 6 Duties of Treasurer

The Treasurer shall maintain timely and accurate books of account, shall have custody of all funds of the Association and shall receive and disburse funds under the direction of and in accordance with the instructions of the Board. The Treasurer shall be responsible for filing on a timely basis all legal documents required by law including tax returns. The Treasurer shall not disburse funds not budgeted or substantially exceeding the amount budgeted without the approval by the Board. The Treasurer shall present a brief summary report at each Board meeting.

Section 7 Executive Committee

The Executive Committee shall consist of the President, the First Vice President, the Second Vice President, the Secretary and the Treasurer. When there is a need for immediate action between regular Board meetings and a quorum for a special meeting is not available, the Executive Committee shall have the power of the Board to act on behalf of the Board upon an affirmative vote of its members, in person and/or by electronic mail.

Any action or discussion taken by the Executive Committee shall be reported to the full Board at the next regular Meeting of the Board. The Secretary shall take minutes of all meetings of the Executive Committee and shall file and maintain such minutes with the minutes of the meetings of the Board. A minimum of three votes is required for formal action.

Section 8 Retention of Association Properties

At the termination or expiration of the term of office of a Director, all books, papers and other properties of the Association shall be delivered to the Board by such Director.

ARTICLE VII STANDING COMMITTEES

Section 1 Standing Committees of the Board

The Standing Committees for the Association (in addition to the Executive Committee) shall be:

- a. Budget
- b. Communications
- c. Membership
- d. Community Standards
- e. Paper Drive
- f. Community Events
- g. Community Liaison (Rossmoor Community Services District, *Los Alamitos Unified School District*, Cities of Los Alamitos and Seal Beach, etc.), which, in the discretion of the Board, may consist of one or more committees
- h. Neighborhood Watch
- i. Emergency Preparedness
- j. Traffic
- l. External Affairs (e.g., liaison with County, State and other governmental agencies outside of the Rossmoor/Los Alamitos/Seal Beach area)

Section 2 Changes in Standing Committees

a. The Board shall create such additional committees as are deemed necessary to carry out the work of the Association. The Board may terminate Standing Committee whose existence it deems no longer necessary.

b. The President shall appoint all committee chairs.

Section 3 Budget Committee

The Budget Committee shall consist of the Second Vice President, Treasurer and any other Directors as appointed by the President. The Budget Committee shall have the responsibility for developing annual budgets, soliciting budget requests from the Association's committees, and presenting such proposed budgets to the Board for approval not later than the November meeting of the Board. The Budget Committee shall also review revenue and expenditures at the end of July and make recommendations to the Board for approval of any suggested changes. Further, the Budget Committee shall have responsibility for reviewing the books and financial procedures of the Association.

Section 4 President as Ex-Officio Member

The President shall be an ex-officio member of all committees excluding the Nominating Committee. (See Article X, Section 2)

ARTICLE VIII FINANCES

Section 1 Financial Reports

All funds of this Association shall be maintained in a manner consistent with good accounting practices. Financial reports shall be required and presented to the Board of Directors at all regular Board meetings.

Section 2 Access to Financial Records

Financial records shall be made available to any member upon written request and payment of all costs associated with reproduction, subject to appropriate confidentiality restrictions.

Section 3 Issuance of Checks and Deposit of Funds

One signature shall be required on all checks and drafts for payment or disbursement of funds for the Association. Officers and Directors authorized to sign checks and drafts include the President, First Vice President, Treasurer and one other designated Director appointed by the President with such appointment reported to the full Board.

All Directors authorized to sign checks must have a signature authorization on file at the bank used by the Association. Deposits of funds received by the Association shall be made by the Treasurer or by a Director designated by the President, and such designated Director shall promptly report all such deposits to the Treasurer.

Section 4 Fiscal Year

The fiscal year for the Association for the purposes of budgeting shall be from January 1 to December 31. The budget for the following year shall be presented by the Budget Committee to the Board for approval no later than the regular November Board meeting.

Section 5 No Benefits to an Individual Member

No part of the income and/or assets of this Association shall inure for the benefit of any individual member.

Section 6 Use of Property and Funds

The property of the Association is irrevocably dedicated to accomplishing the purposes and objectives of the Association as defined in the Bylaws. Monetary contributions to outside organizations shall be limited to those activities which benefit the Rossmoor community and further the objectives of the Association, as determined by the Board in its reasonable discretion. Examples of such benefits include contributions that are likely to increase Rossmoor property values, beautify Rossmoor or otherwise improve the quality of life of a majority of Rossmoor residents.

Section 7 Review of Financial Records

The Budget Committee shall review the financial records of the Association and the procedures for receiving and disbursing moneys annually, when there is a change in the Treasurer or at any other time when authorized by the Board. Ordinarily, the Board will request a certified public accounting (CPA) firm to prepare a profit and loss statement at six (6) month intervals and to prepare any required government reports related to Association finances. The President shall appoint a Board member to review the Association bank statement every month and sign and date the statement after resolving any questions arising from the review.

Section 8 Retention of Financial Records and Procedures

At the termination or expiration of the term of office of the Treasurer, financial records of the Association and the procedures for receiving and disbursing moneys shall be delivered to the Board by the Treasurer.

Section 9 Authorization for Financial Commitments and Contracts

The President and Treasurer, or their designees, shall be authorized to enter into any commitments or obligations and sign and deliver any contracts or other instruments where the total commitment of such obligation, contract or instrument is less than \$2,000.00, provided that such expenditure has been previously authorized by the Board. For all amounts over such amount the specific approval of a majority of the Board is required.

ARTICLE IX: MEETINGS

Section 1 Regular Meetings

The Association shall schedule and hold not less than eight (8) regular-Board meetings each year for the purpose of conducting the business of the Association. Regular-meetings shall be open to all members and the public. For purposes of conducting the business of the Association, a quorum shall consist of not less than a majority of the current Directors. There will be no proxy voting at any Board meeting.

Section 2 Special Meetings

Special meetings of the Board may be called at the discretion of the President or any three Directors. A quorum for a special Board meeting shall consist of not less than a majority of the current Directors. When the President determines it is appropriate, the Board may conduct a Special meeting on a particular matter by electronic mail, in which case the Secretary shall report the results of the Special

meeting at the next regular Board meeting.

Section 3 Quorums

No vote upon any motion or resolution may be effective at any Board meeting unless the required quorum is present.

Section 4 Special Meeting Petitions

The Association membership may request a special meeting of the Association through a petition signed by 20 members. Such special membership meeting shall require public notice to the entire membership a minimum of twenty (20) days prior to the meeting. The notice shall be posted in two public places and published in a local newspaper.

Section 5 Rules of Conduct for Meeting

Except as otherwise provided in these By-Laws, meetings of the Association will be conducted under the then-current edition of Robert's Rules of Order as applicable to small assemblies.

ARTICLE X: NOMINATIONS AND ELECTIONS

Section 1 Annual Elections

Election of Directors shall be held annually in May.

Section 2 Nominating Committee

A nominating committee comprised of three (3) Association members shall be recommended by the President for approval by a majority of the Board at the March Board meeting. One member of the committee shall be a member of the Board of Directors. The committee shall be charged with the responsibility of nominating candidates for open Director position(s) at the regular April Board meeting.

The committee shall verify that all nominees are willing to serve and meet the eligibility requirements of Directors and Officers as described in these Bylaws.

Section 3 Nominations at Annual Board Meeting

All Association members shall be invited to the April Board meeting. Members shall be notified of said meeting by mail and/or electronic mail to each member, or by publishing in any publication of the Association which is mailed and/or electronically mailed to all members, or is published on the Association's website and such notification shall be sufficient if made at least twenty (20) days prior to the meeting.

The President shall announce the Nominating Committee's nominee(s) followed by an invitation to Association members to nominate from the floor, provided that all such nominated members are eligible to serve as Directors pursuant to these Bylaws. Upon completion of the nominations, nominations will be announced "closed." The President shall then read aloud the entire list of candidates placed in nomination.

Section 4 Ballot Submittals

Each nominee shall have the opportunity to submit a maximum of fifty (50) word

statement to the Secretary within seven (7) days following close of nominations. The Secretary shall assume responsibility for preparing and mailing a ballot with the candidates' statements to all members within twenty-one (21) days of the close of nominations.

Section 5 Ballot Format

All elections shall be by secret ballot. Ballots shall clearly note the date by which they must be returned. Ballots shall contain an option for write-in candidates. Only Association members shall be eligible to vote.

Section 6 Ballot Counting

The President shall appoint two (2) Directors, who are not then standing for election, to serve as inspectors of election, who shall receive and tally the votes and determine the results of the election. A plurality of the votes shall elect. A full report of the results of the election shall be presented at the Board meeting in June. The ballots and tally results shall be maintained by the Secretary for two (2) months following the election.

Section 7 Election of Board of Director Officers

The newly constituted Board of Directors shall elect officers for the following year at the June Board meeting.

Section 8 Installation of Board of Directors

The outgoing President shall preside at the installation of the newly elected Directors at the close of the June meeting. The newly elected Board shall assume the affairs of the Association effective as of July 1.

ARTICLE XI: INDEMNIFICATION

The Association shall have the power to indemnify any person who was or is a party or is threatened to be a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was an officer, Director, member of a committee or otherwise performing services on behalf of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, provided that he or she acted lawfully and in good faith and in a manner he or she believed to be in the best interests of the Association. The Board shall have the authority to purchase and maintain insurance to cover its obligations hereunder.

ARTICLE XII: BYLAWS AND AMENDMENTS

Section 1 Purpose and Scope of Bylaws

The Bylaws, as ratified by the membership, shall establish the policies of the Association. To the extent that these Bylaws are inconsistent with any other rules, resolutions or policies of the Association, these Bylaws shall control.

Section 2 Amending Bylaws

These Bylaws may be amended by approval of the Board and a two-thirds majority vote of the members present at any regular or special meeting, providing that at least twenty (20) days notice has been given the members prior to the meeting.

The notice shall be posted in two public places and published in a local newspaper or published in any publication of the Association which is mailed and/or emailed to all members.

Section 3 Approval of Bylaw Changes

Any member may propose a Bylaw change to the Board for consideration. All proposed Bylaw changes, if approved by the Board, shall be presented to the membership as specified in Section 2.

Amended Bylaws approved by the Board on **June 12, 2014** and approved by the general membership on **August 19, 2014**.

Previously amended Bylaws ratified by membership on 20 January 2004, 19 June 2001, 22 February 2000, 24 November 1998, 17 June 1998, 19 June 1996, 19 May 1993, 15 May 1991.