

Bylaws of North of Market/ Tenderloin Community Benefit Corporation

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**BYLAWS
OF THE
NORTH OF MARKET/TENDERLOIN
COMMUNITY BENEFIT CORPORATION**

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

**ARTICLE 1
NAMES, OFFICES, AND PURPOSES**

Section 1.1. Name

The name of the corporation is the North of Market/Tenderloin Community Benefit Corporation (hereinafter, the “Corporation”).

Section 1.2. Principal Office

The principal office of the Corporation is to be located within the City and County of San Francisco, California and the North of Market/Tenderloin Community Benefit District (hereinafter, the “District”) as defined by the map attached as “Exhibit A” and incorporated in these Bylaws by reference.

Section 1.3. Change of Address

The Corporation’s principal office can be changed by resolution of the Board of Directors of the Corporation (the “Board”) to another location within the District. Any such change shall be recorded by the Secretary in the records of the Corporation.

Section 1.4. Mission and Purpose

A) The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. The Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

B) The primary mission and purpose of this Corporation shall be to facilitate neighborhood improvements through, but not limited to: systematic and effective cleaning of the public right of way; greening and beautification programs for the public right of way; and, to promote the District’s identity.

C) The Corporation is empowered to exercise all rights and powers conferred by the laws of the State of California upon nonprofit corporations, including, but without limitation, to receive gifts, devises, bequests and contributions in any form, and to use,

apply, invest and reinvest the principal and/or income therefrom or distribute the same for the aforementioned purposes.

ARTICLE 2 MEMBERSHIP

Section 2.1. No Members

This Corporation shall have no members, as that term is defined in section 5056 of the California Corporations Code. Nothing in these Bylaws shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation, as “members” even though such persons are not members, as defined in section 5056 of the California Corporations Code. Such persons shall be deemed to be associated persons with respect to the Corporation as that term is defined in section 5332 of the California Nonprofit Public Benefit Corporation Law, and no such reference shall constitute anyone a member of this Corporation.

ARTICLE 3 ANNUAL ELECTION OF DIRECTORS

Section 3.1. Application and Election

A) Ninety (90) days prior to the annual meeting of the Directors, the Executive Director and the Board will recruit and encourage applications for open Director positions. The following procedure documents the annual election process and does not control Director appointments in the case of a vacancy on the Board.

- 1) Notice of open director positions will be posted on the website at least ninety (90) days prior to the annual meeting of the Directors.
- 2) Director applications are due at least thirty (30) days prior to the annual meeting of the Directors. No applicants will be considered after this deadline.
- 3) The Executive Director will review the applications to determine which meet the qualifications under Section 3.2 of this Article, the “eligible applicants.”
- 4) The Board will conduct interviews of eligible applicants prior to the annual meeting of the Directors.
- 5) The Board will be notified of the eligible applicants and the interview schedule at least twenty (20) days prior to the annual meeting by mail or electronic mail.

B) Thereafter, the names of the eligible applicants for all open Board seats shall be presented to the Board at the annual meeting of the Directors. Each currently seated Director shall have one vote for each position to be filled, but such votes may not cumulate. A Director shall cast his or her vote in person at the annual meeting of the Directors. The candidates receiving the highest number of votes in his/her own category shall be elected.

C) The Board shall display the names of all eligible applicants and the positions they are running for on the agenda for the annual meeting of the Directors. In addition, the names of all eligible applicants will be posted on the Corporation's website at least twenty (20) days prior to the annual meeting of the Directors.

Section 3.2. Qualifications

A) In order to be eligible for election to the Board, a person cannot be the Executive Director or any other staff member, and must be a:

- 1) Property owner that is current on payment of tax assessments into the District as approved by the San Francisco City Council ordinance in August 2005,
- 2) Business owner (including nonprofit organizations) that does not own commercial property in the District (i.e., a business owner that leases property),
- 3) Residential tenant that is not a property or business owner in the District, or
- 4) At-large community member deemed important to support the goals of the Corporation. An at-large Director shall be defined as an individual chosen by the Board who does not fall into the other three categories, but who would increase the diversity of the Board or who has skills needed in the Board's leadership.

Subject to applicable requirements, the Board may be composed as follows:

Category	Percentage of Board
Property Owner	46%
Business Owner	23%
Residential Tenant	23%
At-Large Community Member	8%
Total	100%

In accordance to San Francisco Business and Tax Code Regulation Section 1511(f), no less than twenty percent (20%) of the voting members of the Board shall be individuals who (i) own or have an ownership interest in a business located in the District, and (ii) do not own or have an ownership interest in the District. Furthermore, preference will be given to eligible applicants who have had active participation in the Corporation including its committees, task forces or otherwise for a period of approximately not less than six (6) months, and support for the purposes, policies and goals of the Corporation. In addition, applicants shall only be eligible for election to those positions for which they qualify as a property owner, business owner, residential tenant or at-large community member.

B) Applicants for election to the Board should reflect the ethnic, business, geographic and land use differences of the District.

C) Prior to the election of the first Board, the Incorporator shall appoint an Interim Board to serve for a period not to exceed eighteen (18) months. Interim Board members shall have the full authority to make decisions and negotiate on behalf of the Corporation.

ARTICLE 4 DIRECTORS

Section 4.1. Number and Term

A) The Corporation shall have a minimum of seven (7) and a maximum of twenty five (25) Directors and collectively they shall be known as the Board. The exact number of Directors shall be fixed from time-to-time by resolution of the Board. The maximum or minimum number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws. Subject to the foregoing provisions for changing the number of Directors, the exact number of twenty three (23) members shall serve on the Interim Board.

B) The Directors shall be elected for staggered two (2) year terms beginning on the date of election to replace those Directors whose terms are then expiring. No Director shall serve more than two (2) consecutive terms and a Director who has served two (2) consecutive terms may be re-elected to the Board only after such Director has taken a leave of no less than two (2) years from service as a Director of the Corporation.

C) The applicants representing one more than half of the total members selected for the Board who receive the highest number of votes during the first election, shall serve in their seats for two (2) year terms. In case of a tie in the vote for Directors, the Board shall determine which tied Directors shall serve for two (2) year terms and which Directors shall serve for (1) year terms. The balance receiving the lesser amount of votes, shall serve for one (1) year terms. Thereafter from the second election forward, all Board members shall serve for two (2) year terms.

Section 4.2. Powers

A) Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, the activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board shall have the following specific powers:

- 1) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Corporation, or by these Bylaws;
- 2) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, consultants and employees of the Corporation;
- 3) Authorize contracts and agreements, borrow and lend funds, accept and make

grants and donations, encumber Corporation property, contract for services and pay for such services and undertake all other financial and programmatic actions as are necessary or desirable to further the purposes of the Corporation.

- 4) Supervise all officers, agents and employees of the Corporation to assure that their duties are performed properly;
- 5) Meet at such times and places as required by these Bylaws;
- 6) Register their addresses with the Secretary of the Corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof;
- 7) Change the principal office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country, and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of the Board; and
- 8) Adopt or alter and use a corporate seal.

Section 4.3. Compensation

Directors shall not receive compensation for their services and roles on the Board except that they shall be allowed and paid their actual and necessary expenses incurred in attending Directors meetings, only after adoption of a written Board policy concerning this provision. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in these Bylaws. Directors may not be compensated for rendering non-director services to the Corporation unless such other compensation is reasonable as determined by resolution of the Board and is allowable under the provisions of these Bylaws.

Section 4.4. Restriction Regarding Interested Directors

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, "interested persons" means either:

- A) Any person currently being compensated by the Corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- B) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.
- C) Any violation of this Section shall not affect the enforceability of any transaction entered into by the Corporation.
- D) All Directors, officers, employees, and staff (if any) of the Corporation shall

adhere to the Conflict of Interest Policy of the Corporation and Section 4.7 of this Article.

Section 4.5. Standard of Care - General

A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- A) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;
- B) Counsel, independent accountants, or other persons as to matters which the Director believes to be within such persons' professional or expert competence; or;
- C) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing Director, as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law, a person who performs the duties of a Director in accordance with the above shall have no liability based upon any alleged failure to discharge that person's obligations as a Director, including (without limiting the generality of the foregoing) any actions or omissions that exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, may be dedicated.

Section 4.6. Standard of Care - Investments

Except with respect to assets held for use or used directly in carrying out the Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation's capital.

The Board shall also comply with all additional standards, if any, imposed by the Corporation's Articles of Incorporation, these Bylaws, or the express terms of any

instrument or agreement pursuant to which the assets were obtained by the Corporation.

Section 4.7. Self-Dealing Transactions

A) A self-dealing transaction is one (a) to which the Corporation is a party and (b) in which one or more of the Directors has a material financial interest, either directly or because the transaction is between the Corporation and any entity in which one or more of the Corporation's Directors has a material financial interest. The Board shall not approve a self-dealing transaction unless:

- 1) the Corporation is entering into the transaction for its own benefit;
- 2) the transaction is fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;
- 3) the Board's approval occurs prior to consummating the transaction or any part thereof, unless (i) the Board's approval was not reasonably practicable to obtain prior to consummating the transaction, (ii) a committee or person authorized by the Board approves the transaction prior to its consummation, and (iii) the Board ratifies the transaction at its next meeting after determining that (i) and (ii) have been satisfied;
- 4) the Board's approval is made in good faith;
- 5) the Board's approval is made by a vote of a majority of the Directors then in office without counting the vote of the interested Director or Directors;
- 6) the Board's approval is made with knowledge of (i) the material facts concerning the transaction and (ii) the interested Director's or Directors' interest in the transaction; and
- 7) after reasonable investigation, the Board has considered and in good faith determined after reasonable investigation under the circumstances that, under the circumstances, the Corporation could not have obtained a more advantageous arrangement with reasonable effort.

Section 4.8. Place of Meetings

Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Board or at such place within the City and County of San Francisco that has been designated from time to time by resolution of the Board. Meetings shall comply with the open meeting requirements of the Ralph M. Brown Act (the "Brown Act")(California Government Code Section 54950 et seq.).

Section 4.9. Regular and Annual Meetings

A) Regular meetings of Directors shall be held monthly at a regular time and place as determined by the Board. The Board has the authority to alter the time and place and number of the meetings upon majority vote and shall provide notice pursuant to Section 4.11 and 4.12 of this Article.

B) At the annual meeting of Directors held each year, Directors shall be elected by the Board in accordance with these Bylaws. Cumulative voting by Directors for the election of Directors shall not be permitted.

Section 4.10. Special Meetings

Special meetings of the Board may be called by the President, the Vice President, the Treasurer, the Secretary, the Executive Director, or by any four (4) Directors, and such meetings shall be held at the place, within the City and County of San Francisco, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation.

Section 4.11. Notice of Meetings to the Board

Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or seventy-two (72) hours' notice delivered personally or by telephone or electronic mail. If sent by mail, the notice shall be deemed to be delivered on its deposit in the mail. If sent by electronic mail, the notice shall be deemed to be delivered on its transmission. Such notices shall be addressed to each Director at his or her address as shown on the books of the Corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than forty eight (48) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than forty eight (48) hours from the time of the original meeting.

Section 4.12. Notice of Meetings to the Public

Notice and agendas for all meetings of the Board shall be posted at least seventy-two (72) hours prior to the meeting in a publicly accessible location, such as the main branch of the San Francisco Public Library, in accordance with the requirements of the Brown Act, and on the website of the Corporation. Each such notice shall state the general business to be transacted, and the day, time and place of the meeting. Business must be transacted at any regular meeting of the Board in accordance with the requirements of the Brown Act.

Section 4.13. Contents of Notice

Notice of meetings not herein dispensed with shall specify the purpose, agenda, place, day and hour of the meeting.

Section 4.14. Waiver of Notice and Consent to Holding Meetings

The transactions of any meeting of the Board, however called and noticed to the Directors, are as valid as though the meeting had been duly held after proper call and

notice to the Directors, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each Director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. No waiver of notice to the Director shall extend to the Corporation's notice requirements to the public under the Brown Act and other applicable laws.

Section 4.15. Quorum for Meetings

A quorum shall consist of a majority of the sitting Board. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this Corporation.

Section 4.16. Majority Action as Board Action

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless the Articles of Incorporation or Bylaws of this Corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, require a greater percentage or different voting rules for approval of a matter by the Board.

Section 4.17. Conduct of Meetings

Meetings of the Board shall be presided over by the President of the Corporation or, in his or her absence, by the Vice President of the Corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by Roberts Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation, or with provisions of law.

Section 4.18. **Vacancies**

Vacancies on the Board shall exist (1) on the death, resignation or removal of any Director, and (2) whenever the number of authorized Directors is increased.

The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

Directors may be removed without cause by a majority of the Directors then in office. (Absence of a Director from three (3) or more consecutive Board meetings shall constitute cause for removal.)

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. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General.

Vacancies on the Board may be filled by approval of the Board subject to Section 3.2(A) of these Bylaws. If the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining Director.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board or until his or her death, resignation or removal from office.

No reduction of the authorized number of Directors shall have the effect of removing any Directors before that Director's term expires.

Section 4.19. **Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

Section 4.20. **Indemnification by Corporation of Directors, Officers, Employees and Other Agents**

To the extent that a person who is, or was, a Director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the Corporation, or has

been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this Corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Section 4.21. Insurance for Corporate Agents

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, officer, employee or other agent of the Corporation) against any liability, other than for violating provisions of law relating to self-dealing, asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Section 4.22. Brown Act Compliance

To the extent that Government Code §54952(c) shall require the Corporation to be subject to the open meeting requirements of the Brown Act, then the Board will comply with the provisions of Government Code §54950 through and including §54961. To the extent that any provisions of these Bylaws are inconsistent with the Brown Act, the provisions of said Act shall prevail. In the event the Corporation does not meet the requirements of Government Code §54952(c), the Board will not endeavor to meet the requirements of the Brown Act.

Section 4.23. California Public Records Act Compliance

The Corporation shall comply with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to the District.

ARTICLE 5 OFFICERS

Section 5.1. Number of Officers

The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. The Corporation may also have, as determined by the Board, a Chairperson of the Board, one or more

additional Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the President or Chairperson of the Board.

Section 5.2. Qualification, Election, and Term of Office

Any Board member may serve as officer of this Corporation. Officers shall be elected by the Board, at any time, and each officer shall hold office for a one (1) year term or until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 5.3. Subordinate Officers

The Board may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board.

Section 5.4. Removal and Designation

Any officer may be removed, either with or without cause, by the Board, at any time. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board relating to the employment of any officer of the Corporation. Any resignation as an officer shall not affect the resigning officer's position as a Director of the Corporation. However, an officer's resignation as a Director, as provided in these Bylaws, shall automatically constitute resignation as an officer upon the effective date of resignation as a Director.

Section 5.5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board. In the event of a vacancy in any office other than that of the President, such vacancy may be filled temporarily by appointment by the President until the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 5.6. Reimbursement for Expenses

The Corporation may provide reimbursement for expenditures on behalf of the Corporation by its officers.

Section 5.7. Duties of President

The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, supervise and control the affairs of the Corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board. Unless another person is specifically appointed as Chairperson of the Board, he or she shall preside at all meetings of the Board. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, or other instruments that may from time to time be authorized by the Board.

Section 5.8. Duties of Vice President

In the absence of the President, or in the event of his or her inability or refusal to act, 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 on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board.

Section 5.9. Duties of Secretary

The Secretary or his or her designee, shall act as secretary of all the meetings of the Board and shall keep the minutes of all such meetings in books proposed for that purpose. He or she shall attend to the giving and serving of all notices of the Corporation, and shall certify corporate documents authorized by the Corporation or the Board. He or she shall perform all other duties customarily incident to the office of secretary, subject to control of the Board, and shall perform such additional duties as shall, from time to time, be assigned to him or her by the Board.

Section 5.10. Duties of Treasurer

The Treasurer, or his or her designee, shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board. In general, the Treasurer shall perform all duties incident to the office of the chief financial officer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

Section 5.11. Signing Authority

Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation by the Board or these Bylaws, the President

or the Executive Director may execute on behalf of the Corporation any contracts, deeds, mortgages, bonds or other instruments as the conduct of the Corporation's business in its ordinary course requires, and may accomplish such execution either individually or with the Secretary, or the Treasurer, or any other officer thereunto authorized.

ARTICLE 6 COMMITTEES

Section 6.1. Executive/Organization Committee

The Board may, by a majority vote of Directors, designate four (4) or more of its members (who may also be serving as officers of this Corporation) to constitute an Executive/Organization Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- A) The approval of any action that, under law or the provisions of these Bylaws, requires the approval of the delegates or of a majority of all of the delegates.
- B) The filling of vacancies on the Board or on any committee which has the authority of the Board.
- C) The fixing of compensation of the Directors for serving on the Board or on any committee.
- D) The amendment or repeal of Bylaws or the adoption of new Bylaws.
- E) The amendment or repeal or any resolution of the Board which by its express terms is not so amendable or repealable.
- F) The appointment of committees of the Board or the members thereof.
- G) The approval of any transaction to which this Corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 6.2. Other Committees and Task Forces

The Corporation shall have such other committees and task forces as may from time to time be designated by resolution of the Board. Such other committees may consist of persons who are not also members of the Board, but the committee chair must be a current Board member. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as advisory committees or task forces.

Section 6.3. Meetings and Action of Committees

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board or by the committee. The time for special meetings of committees may also be fixed by the Board. The Board may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE 7 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 7.1. Execution of Instruments

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, 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 to render it liable monetary for any purpose or in any amount.

Section 7.2. Checks and Notes

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President of the Corporation.

Section 7.3. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

Section 7.4. **Gifts**

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this Corporation.

ARTICLE 8 CORPORATE RECORDS, REPORTS AND SEAL

Section 8.1. **Maintenance of Corporate Records**

The Corporation shall keep at its principal office in the State of California:

- A) Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- B) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- C) A copy of the Corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by officers and Directors of the Corporation and members of the general public at all reasonable times during office hours.

Section 8.2. **Corporate Seal**

The Board may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 8.3. **Directors' Inspection Rights**

Every Director shall have the 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 8.4. **Right to Copy and Make Extracts**

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

Section 8.5. **Annual Report**

The Board may cause an annual report to be furnished not later than one hundred and

twenty (120) days after the close of the Corporation's fiscal year to all Directors of the Corporation, which report shall contain the following information in appropriate detail:

- A) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- B) The principal changes in assets and liabilities, including trust funds, during the fiscal;
- C) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- D) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and
- E) Any information required by the Bylaws.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

ARTICLE 9 FISCAL YEAR

The fiscal year of the Corporation shall begin on the July 1st and end on June 30th in each year.

ARTICLE 10 AMENDMENT OF BYLAWS

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the majority action of the sitting Board, subject to any restrictions required by the Corporation, any agreement or regulation to which the Corporation is subject or any provision of law. There shall be written notice of revisions, setting forth in detail the proposed revisions and explanations, and such notice must be given not less than seven (7) days prior to the Board meeting.

ARTICLE 11
PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No Director, officer, employee, or other person connected with this Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the Corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the Corporation.

CERTIFICATE OF SECRETARY

This is to certify that the foregoing is a true and correct copy of the Bylaws of the Corporation named in the title thereto and that such Bylaws were duly adopted by the Board of the Corporation on the date set forth below.

Dated: January 12, 2014

Julie Burdick, Secretary

Exhibit A

District Map of North of Market/Tenderloin Community Benefit District

