

BY-LAWS OF THE ADAMS AVENUE BUSINESS ASSOCIATION, INC.

ARTICLE I

Purposes

Section 1. Name of Corporation

The name of this corporation shall be Adams Avenue Business Association and shall be referred to herein as “The Corporation”.

Section 2 Corporate Status

The Corporation has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (California Corporations Code, Sections 7110-7111) as filed with the Secretary of State of the State of California on October 1, 1985, for public and charitable purposes and holds the designation of a tax exempt corporation under the United States Internal Revenue Code 501(c)6.

Section 2. Purposes.

The specific purpose of The Corporation is to promote and increase commercial activity within the Adams Avenue Business Improvement District.

The Corporation is further formed to :

- a) Enhance commercial growth, development and improvement within the Adams Avenue Business Improvement District,
- b) Create partnerships between business owners, property owners governmental officials, and interested others to improve the commercial corridor of Adams Avenue,
- c) Promote economic revitalization and combat deterioration in the community served by the Adams Avenue Business Improvement District,
- d) Administer business and property owner assessment districts under contract with the City of San Diego.

All activities shall be nonpartisan, nonsectarian and nondiscriminatory against any person by reason of race, color, national origin, religion, age, sex, sexual orientation, marital status, genetic characteristics, or physical or mental disability.

ARTICLE II

Offices

Section 1. Principal Offices.

The principal office for the transaction of business of this corporation is hereby fixed and located in the County of San Diego at such place as may from time to time be designated by the Board of Directors.

ARTICLE III

Membership

Section 1. Eligibility.

The members of the corporation shall be those persons, including corporations and other entities holding current City of San Diego Business Tax Certificate and paying business improvement district charges as collected by the City of San Diego within the boundaries of the Adams Avenue Business Improvement District defined by the City of San Diego Ordinance # O-16479 of July 29, 1985 as amended by Ordinance # O-18087 adopted July 11, 1994. All such members in good standing shall designate one person to represent their membership and that designated representative only shall have the right to cast a ballot on any matters requiring a vote of the general membership of The Corporation under all applicable laws, Articles of Incorporation, or these By-Laws.

Section 2. Dues.

The Board of Directors shall from time to time establish dues or charges in accordance with the provisions of the Parking and Business Improvement Area Law of 1979 and City of San Diego Ordinance # O-16479 of July 29, 1985 as amended by Ordinance # O-18087 adopted July 11, 1994, following public hearing and approval by the San Diego City Council. All businesses paying the Parking and Business Improvement Area charges for the Adams Avenue Business Improvement District as collected by the City of San Diego will automatically be members and the charges paid will be their dues in full.

Section 3. Associate Membership

Associate Membership shall be open to those persons, including corporations or other entities, making application for membership and interested in supporting the purpose of the Adams Avenue Business Association, by filing an application in such form as the Board of Directors shall prescribe. Application then will be referred to the Board of Directors for approval. Once approved by the Board of Directors, the Associate Members shall pay the annual dues directly to the Adams Avenue Business Association. Upon payment of the annual dues, Associate Members shall enjoy the same benefits as allowed by all other members of the Business Improvement District except they are not be eligible for serving on the Board of Directors nor are they allowed a vote in any matter of the Corporation..

Any Associate Member may resign from membership in the Adams Avenue Business Association upon giving written notice thereof to the Secretary of the Corporation. Members who resign from membership shall not be entitled to any refund of any dues therefore paid. Adams Avenue Business Association reserves the right to refuse associate memberships to any business or individual. Annual Associate Membership fees and donations are non-refundable.

ARTICLE IV

Meeting of Members

Section 1. Annual Meetings.

Annual meetings of the members of this corporation shall be held on the 3rd Tuesday of January of each year at San Diego, California, as may be designated by the Board in a notice of such meeting given at least thirty(30) days prior to such meeting. A majority of members in good standing as described in ARTICLE III, Section 1, present in person or by written proxy, shall constitute a quorum.

Section 2. Special Meetings.

Special meetings of the members of The Corporation may be called at any time by the President, or shall be called by the President upon written application of one hundred (100) members. The object of such meetings shall be stated in the notice of such meeting, which shall be given at least two (2) week prior to such meeting, and shall designate also the time and place of such meeting. A majority of members in good standing, present in person, shall constitute a quorum and no business shall be transacted other than that stated in the notice of such meeting.

Section 3. Voting.

A majority of the members present in person or by written proxy shall be sufficient to decide the matter specially noticed. Members may vote by written proxy. Each member in good standing as described in ARTICLE III, Section 1, may cast one vote on any question or proposition to be decided. Each member shall be allowed one vote on all matters requiring a vote of the general membership. Each vote will hold equal value and weight in determining the outcome of any ballot issue.

ARTICLE V

Board of Directors

Section 1. Government.

The affairs of the corporation shall be conducted by the Board of Directors.

Section 2. Eligibility.

Any current member as described in ARTICLE III, Section1 of these By-Laws is eligible to serve as a Director.

Section 3. Number of Directors.

The Board of Directors shall consist of a minimum of five (5) Directors and a maximum of (15) Directors, until this number is changed by amendment to the Articles of Incorporation, or to these Bylaws, as hereinafter provided. Responsibilities of each board member will include but not limited to:

- a) Participation in at least one Committee, and
- b) Attendance at all board meetings. If upon the third consecutive unexcused absence of a board member at regular meetings, the remaining board members may choose to remove the absent board member by affirmative vote of at least 2/3 of all the remaining board members.

Section 4. Quorum.

A majority of the Directors in office any time shall constitute a quorum for the transaction of business.

Section 5. Election and Term of Office.

Directors shall serve an initial term expiring the 3rd Tuesday of January, 1987 or until as soon thereafter as their successor shall be elected and qualify. At the end of the term of original Directors, successor Directors shall be elected by written ballot at the annual meeting of the corporation, and shall hold office for the succeeding two years. A term of office shall run from after election to two years thereafter.

A Nominating Committee will be appointed by the President, with the advice and consent of the Board of Directors. They will be charged to call for individuals to submit names, requesting consideration for election as Directors of the Board of The Corporation. The Nominating Committee will consider these applications and from them, will recommend a slate of candidates to be mailed to the Board and made public prior to the annual meeting. At the annual meeting, additional nominations may be made from the floor provided that the nominee so named has submitted in writing a statement indicating their interest in serving. Any member may cast his or her vote by giving a written proxy. Those eligible to vote may cast as many votes by written ballot as there are vacancies to be filled; provided, however, no one may cast more than one (1) vote for any candidate. A candidate must receive affirmative votes from a majority of eligible voters casting ballots. If all the vacancies should not be filled, then successive ballots for the remaining vacancies will be held in a manner similar to the first balloting.

Section 6. Powers of the Board Directors.

Subject to the powers of the members as provided by law or as herein set forth, all corporate powers of The Corporation shall be exercised by or under the authority of, and the business and affairs of The Corporation shall be controlled by, the Board of Directors. Without limiting the generality of the foregoing, the Board of Directors shall have the following powers:

- a) To select and remove all the other officers, agents, employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with any applicable laws, Articles of Incorporation or these Bylaws,
- b) To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or these Bylaws, as they may deem best,
- c) To change the principal office for the transaction of the business of the corporation from one location to another within the same city; to adopt, make and use a corporate seal and to alter the form thereof from time to time as in their judgment they may deem best, provided such seal at all times comply with the provisions of law,
- d) To borrow money and incur indebtedness for the purpose of, the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefore subject to the approval of the membership at a noticed meeting as provided in Article IV, Section 1 and 2,
- e) To appoint other Committees as the Board of Directors may deem necessary and proper, consisting of such persons, and having such power and authority, as shall be specified by the Board of Directors.

Section 7. Operating Procedures.

The conduct not specifically stated herein, of the Board, the Officers and the members shall be prescribed by the Statement of Operating Procedures adopted by the Board from time to time.

Section 8. Vacancies.

Any vacancy or vacancies in the Board of Directors resulting from death, incapacity, resignation, removal, or otherwise, shall be filled by the remaining Board then in office. The term of the new member will expire when the term of the vacated member was to have expired. The election to fill a vacancy must be held no later than the third meeting following the determination of a vacancy. The Nominating Committee will present a slate of candidates compiled from the remainder of its previously called for roster used at the immediate past election. The election procedure will follow Article V, Section 5 of these By-Laws provided, however, that only the Directors shall vote.

Section 9. Place of Meeting.

Meetings of the Board of Directors shall be held at any place within the Adams Avenue Business Improvement District area which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, meetings shall be held at the principal office of the corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 10. Organizing Meeting.

At the next regular meeting, following the annual meeting of members, the Board of Directors set aside time for the purpose of organization, election of officers and the transaction of other business. All meetings other than regular meetings shall be duly noticed.

Section 11. Special Meetings.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or any three (3) Directors. Written notice of the time and place of special meetings shall be delivered personally to each Director or sent to each Director by mail or by other form of written communication, charges prepaid, addressed to them at their address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. Such notice should be mailed at least seventy-two (72) hours prior to the time of holding the meeting. In lieu of written notice of meetings referred to, the Secretary or other officers may telephone each member of the Board of Directors at least seventy-two (72) hours prior to the time of holding said meeting.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though done at a meeting duly held after regular call and notice, if a quorum be present and if either before or after the meeting each of the Directors not present signs a written waiver of notice or a consent to holding such 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

Section 12. Adjournment.

In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting from time to time until the time fixed for the next meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Section 13. Compensation.

The Directors shall receive no compensation for-their services.

Section 14. Vote of Directors.

Each Director may cast one vote on any question or proposition to be voted on at a meeting. Votes may not be cast by proxy except for election of officers. All matters to be voted on by the board of directors must be on the agenda and given to all members of the board 72 hours prior to the meeting.

Section 15. Rules and Regulations.

The Board of Directors shall have power to make such reasonable rules and regulations not inconsistent with any applicable laws, Articles of Incorporation or these Bylaws as it deems necessary for the conduct of its business.

Section 16. Public Meetings.

All meetings shall be public except those devoted to litigation or personnel. The public shall be informed in advance of all public meetings thorough the local newspaper and/or other appropriate means.

ARTICLE VI

Officers

Section 1. Officers.

The officers of The Corporation shall be a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors may appoint.

Section 2. Eligibility

Any Director of the Corporation is eligible to be an Officer of The Corporation.

Section 3. Election.

The current Board of Directors shall elect all officers of the corporation at the first meeting following the annual meeting, as described in ARTICLE IV, Section 1. The Officers will hold their elected office for a term of one year beginning immediately following the election until the next year annual meeting or until other successors are elected and qualified.

Section 4. Vacancies.

Any Officer vacancy because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Directors. The term of the new officer will expire when the term of the vacated officer was to have expired. The election to fill a vacancy must be held no later than the third meeting following the determination of a vacancy.

Section 5. President.

Subject to the control of the Board of Directors, the President shall have general supervision, direction and control of the business and affairs of the corporation. The President shall preside at all meetings of the Members and Directors; and shall have other powers and duties as may be prescribed from time to time by the Board of Directors. The President shall, each year, submit to the general membership a report on past year accomplishments and next year objectives.

Section 6. Vice President.

In the absence or disability of the President, the Vice President shall perform all duties of the President, and in so acting shall have all the powers of the President, The Vice President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 7. Secretary.

The Secretary shall keep a full and complete record of the proceedings of the Board of Directors, and of the members, shall keep the seal of the corporation and affix the same to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping in the principal office of the corporation of the minute books of the corporation, which shall include a copy of these Bylaws. The Secretary shall keep a record of attendance, notify the Directors when vacancies occur and how it was filled. The Secretary shall be responsible for filing all financial reports which shall include but not be limited to all local, state and federal financial tax returns and shall perform such other duties as may be prescribed by the Board of Directors.

Section 8. Treasurer.

The Treasurer shall be responsible for general supervision of the financial affairs of the corporation, and to make regular financial reports to the Board of Directors and to the regular members.

ARTICLE VII

Miscellaneous

Section 1. Control of-Funds.

Funds of the corporation shall be paid out only on the checks of The Corporation signed by any two of such persons as may be designated by the Board of Directors, one of whom must be either the President, Vice President, Secretary, or Treasurer.

Section 2. Members to Have No Personal, Proprietary or Beneficial Interest in the Property of the Corporation.

No member, Director or Officer of The Corporation shall have any personal, proprietary, or beneficial interest in the property of the corporation, either during its corporate existence or after the termination thereof by dissolution or otherwise; all its property and assets remaining after paying or adequately providing for the debts and obligations of the corporation shall be conveyed, transferred, and assigned to the City of San Diego with request that the excess funds be devoted to the benefit of the businesses within the Adams Avenue Business Improvement District.

Section 3. Payments to Officers or Directors.

No fees, salaries, compensation, reimbursements, or other sums shall be paid, directly or indirectly to any officer or Director or the corporation except upon prior vote of a majority of the Board of Directors other than the Director or Directors to whom such payment is to be made.

Section 4. Indemnification.

The Adams Avenue Business Improvement District shall indemnify, hold harmless, and defend its officers, directors, and employees from any and all claims, demands, liabilities, damages, losses, costs or expenses arising out of any act or omission, excepting willful misconduct, by said officers, directors, and employees in the performance of their duties herein described.

ARTICLE VIII

Amendments

Section 1.

These Bylaws may be repealed or amended or new Bylaws adopted by a majority vote of the membership, at any regular meeting or special meeting where the notice of intent has been given at least seven (7) days prior; or by eighty (80%) percent vote of the Board or Directors at a regularly noticed meeting.