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RESOLUTION NUMBER R- 307539

DATE OF FINAL PASSAGE JUN 28 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE PROPOSED REORGANIZATION OF CENTRE CITY DEVELOPMENT CORPORATION, INC. AND THE CHANGE OF ITS NAME TO CIVIC SAN DIEGO AND THE PROPOSED REORGANIZATION OF SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION VIA CHANGES TO THEIR RESPECTIVE ARTICLES OF INCORPORATION AND BYLAWS.

WHEREAS, until its elimination on February 1, 2012, the Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within fourteen designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in a final opinion issued on December 29, 2011, in litigation designated as Case No. S194861; and

WHEREAS, prior to the elimination of the Former RDA, both Centre City Development Corporation, Inc. (CCDC) and Southeastern Economic Development Corporation (SEDC) contracted with the Former RDA to carry out economic development and redevelopment services in furtherance of their corporate purposes delineated in their respective Articles of Incorporation (Articles) and Bylaws; and

WHEREAS, the City is the sole member of each of CCDC and SEDC; and

WHEREAS, pursuant to Resolution No. R-307238 adopted effective January 12, 2012, the City Council of the City of San Diego (Council) designated the City to serve as the successor agency to the Former RDA and to retain the Former RDA's housing assets and assume the

Former RDA's housing responsibilities, all pursuant to the dissolution provisions in Part 1.85 of AB 26 (Dissolution Provisions); and

WHEREAS, at the time of the Former RDA's dissolution, the City, in its capacity as the successor agency to the Former RDA (Successor Agency), became vested with all of the Former RDA's authority, rights, powers, duties, and obligations under the California Community Redevelopment Law and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA for administration pursuant to the Dissolution Provisions; and

WHEREAS, the Dissolution Provisions generally require the Successor Agency to administer the winding down of the Former RDA's affairs in an expeditious manner; and

WHEREAS, the Office of the Mayor has worked to develop a proposed reorganization of CCDC and SEDC via changes to their respective Articles and Bylaws that would provide operational efficiencies allowing them both to continue their work in economic development and neighborhood revitalization in a post-redevelopment world, and to assist with the winding down of the Former RDA's affairs; and

WHEREAS, on June 21, 2012, the Office of the Mayor outlined the proposed new structure in that certain Staff Report No. 12-078 (Staff Report) and presented drafts of the proposed Articles and Bylaws of CCDC and SEDC attached to the Staff Report as Exhibit A, which drafts reflect the changes necessary to effectuate the reorganization of those two non-profit public benefit corporations; and

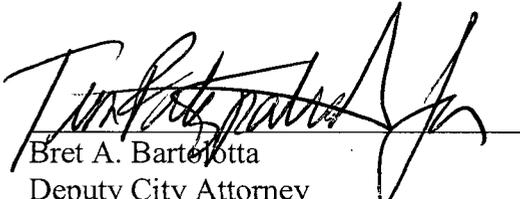
WHEREAS, the reorganized CCDC will change its name to Civic San Diego; NOW
THEREFORE,

BE IT RESOLVED by the City Council of the City of San Diego, as follows:

1. The Council hereby approves the changes to the Articles and Bylaws of CCDC and SEDC proposed in the Staff Report on file with the City Clerk's Office as Document No. RR- 307539 and evidenced by the drafts of such Articles and Bylaws attached thereto including as set forth in such Articles of CCDC, the change of the name of CCDC to Civic San Diego.
2. The form and content of the Articles and Bylaws of CCDC and SEDC attached to the Staff Report as Exhibit A, and the execution, delivery and performance thereof by the boards of directors of each of CCDC and SEDC, are hereby authorized and approved. The boards of directors and the officers of each such corporation (Authorized Signatories) are authorized and directed to take such action as is necessary or appropriate to effectuate the proposed changes to such Articles and Bylaws by adopting such documents in substantially the same form as the Articles and Bylaws attached to the Staff Report on file with the City Clerk's Office as Document No. RR- 307539.
3. That the Authorized Signatories of each of CCDC and SEDC and each of them or any of their respective designees is severally authorized and directed to make, or cause to be made, any and all filings with the California Secretary of State and California Attorney General and take all other actions necessary to effectuate the proposed changes to the Articles and Bylaws of CCDC and SEDC.

APPROVED: JAN I. GOLDSMITH, City Attorney

By


Bret A. Bartelotta
Deputy City Attorney

BAB:TJF:sc
06/14/12
06/25/12 REV.
Or.Dept:Mayor's Office
Companion to R-2012-713 and R-2012-714
Doc.No.: 383496

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 25 2012

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6-28-12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

**AMENDED AND RESTATED
BYLAWS OF
CIVIC SAN DIEGO**

**ARTICLE 1
ORGANIZATION**

1.1 Name. The name of this Corporation is CIVIC SAN DIEGO (“Corporation”), formerly known as Centre City Development Corporation, Inc.

1.2 Purposes. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes of this Corporation are to:

- (i) engage in economic development, land use permitting and project management services which under California law, can be done by contract with or delegated by the City of San Diego (“City”), or the City solely in its capacity as the designated successor agency to the Redevelopment Agency of the City of San Diego (“Successor Agency”);
- (ii) enter into agreements, contracts or memoranda of understanding with any public or corporate entity, including the City, in furtherance of the purposes for which the Corporation is formed;
- (iii) engage in any other activities in furtherance of the purposes for which the Corporation is formed; and
- (iv) receive, invest and utilize for the purposes for which the Corporation is formed (a) gross receipts from activities related to the Corporation’s exempt functions, and (b) funds and property acquired through solicitation of contributions, donations, grants, gifts, bequests and the like.

1.3 Principal Offices. The principal office of the Corporation shall be located in the City of San Diego, County of San Diego, State of California. The Board of the Corporation (“Board”) may at any time, or from time to time, change the location of the principal office from one location to another within said city and county.

1.4 Limitation on Corporate Activities. This Corporation has been formed under the California Nonprofit Public Benefit Corporation Law (the “Law”) and is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. This Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign

(including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

1.5 Dedication of Assets. The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, Director (defined below) or officer of this Corporation. On liquidation or dissolution, all remaining properties and assets of the Corporation shall be distributed and paid over to the City and used for public purposes or to an organization dedicated to charitable purposes which has established its tax- exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 2 MEMBERSHIP

2.1 Sole Member. The City, a charter city in the State of California, shall be the sole member ("Member") of this Corporation. The Member, as the sole member, shall act through its City Council ("Council") in accordance with the City Charter, the City's Municipal Code, applicable state laws and these Bylaws. Pursuant to Section 5312 of the Law the Council members hold an indivisible interest in the single membership of the Member, and in accordance with Section 5612 of the Law, a vote of the majority of the Council members shall bind the Member.

2.2 Rights of Membership. The Member, acting through a majority vote of the Council members in accordance with these Bylaws, shall have the right to vote on the election of members of the Board ("Directors"), subject to the provisions of Section 3.2 of these Bylaws, the disposition of all or substantially all of the Corporation's assets, any merger and its principal terms and any amendment of those terms, any election to dissolve the Corporation, the amendment of the Corporation's Articles of Incorporation ("Articles") or Bylaws and such other matters as set forth in these Bylaws and the Law. In addition, the Member shall have all rights afforded members under the Law and these Bylaws. This Corporation may benefit, serve or assist persons who are not members.

Notwithstanding the preceding, no member shall be entitled to any dividend or any part of the income of the Corporation.

2.3 Termination of Membership. The membership shall only terminate upon the resignation of the Member, on reasonable notice to the Corporation.

2.4 Expulsion, Suspension or Termination of Membership. The Member may not be expelled or suspended, and no membership or membership rights may be terminated (except as provided in Section 2.3 of these Bylaws) or suspended.

2.5 Transfer of Membership. The membership or right arising from membership shall not be transferred. All membership rights cease on the termination of membership pursuant to 2.3 of these Bylaws.

2.6 Liability for Debts or Obligations. The Member is not liable for the debts, liabilities, or obligations of the Corporation.

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2.2 Rights of Membership. The Member, acting through a majority vote of the Council members in accordance with these Bylaws, shall have the right to vote on the election of members of the Board (“Directors”), subject to the provisions of Section 3.2 of these Bylaws, the disposition of all or substantially all of the Corporation’s assets, any merger and its principal terms and any amendment of those terms, any election to dissolve the Corporation, the amendment of the Corporation’s Articles of Incorporation (“Articles”) or Bylaws and such other matters as set forth in these Bylaws and the Law. In addition, the Member shall have all rights afforded members under the Law and these Bylaws. This Corporation may benefit, serve or assist persons who are not members.

Notwithstanding the preceding, no member shall be entitled to any dividend or any part of the income of the Corporation.

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2.5 Transfer of Membership. The membership or right arising from membership shall not be transferred. All membership rights cease on the termination of membership pursuant to 2.3 of these Bylaws.

2.6 Liability for Debts or Obligations. The Member is not liable for the debts, liabilities, or obligations of the Corporation.

2.7 Place of Meeting. Meetings of the Member shall be held in the Council Chambers of the City Administration Building, Community Concourse in the City of San Diego and pursuant to San Diego Municipal Code (“SDMC”) Section 22.0101.5, Rule 1 and the City Charter, as they may be amended from time to time.

2.8 Regular Meeting. A regular meeting of the Member shall be held in each year in which Directors are to be elected at that meeting for the purpose of conducting such election and any meeting of the Member at which Directors are to be elected shall be a regular meeting of the Member. Any other proper business may be transacted at that regular meeting. Regular meetings of the Member shall be conducted in compliance with the requirements of the Ralph M. Brown Act as set forth at Government Code Section 54950 et seq. (“Brown Act”).

The Council is prohibited from participating in any regular meeting on behalf of the Member by means of electronic transmission or electronic video screen communications. The regular meeting of the Member shall be held at the date and time designated only by the Member, which shall be the date of a regular meeting of the Council and on the same date and immediately preceding the annual meeting of the Board.

2.9 Special Meetings. A special meeting of the Member is any meeting of the Member at which any matters other than the annual election of the Directors are to be acted upon. Special meetings of the Member shall be conducted in compliance with the Brown Act. Special meetings for any lawful purpose may be called by the Board, the Chairperson, the President or by the Member. No business other than the business the general nature of which was set forth in the notice of the meeting may be transacted at a special meeting.

When a special meeting of the Member is called by the Member, the meeting date shall be at least thirty-five (35) days but no more than ninety (90) days after receipt of the request from the Member to call the special meeting. The officer receiving the request for the special meeting of the Member shall cause notice to be given promptly to the Council members and the Mayor of the City (“Mayor”) stating that a special meeting of the Member will be held at a specified time and date to be fixed by the Member. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice.

2.10 Notice of Meetings. Notice of all meetings of the Member shall comply with the Brown Act. In addition, the following supplementary notice provisions apply to all meetings of the Member:

2.10.1 Written notice of the meeting shall be given at least ten (10), but no more than ninety (90), days before the meeting date to each of the Council members and to the Mayor.

2.10.2 Notice of a regular or a special meeting of the Member shall be given to the Council members and to the Mayor in accordance with the provisions of this Section 2.10. Regular and special meetings of the Member acting through a meeting of the Council shall comply with the Brown Act and the meeting requirements of the Council.

2.10.3 The notice shall be given either personally, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to the Council members and to the Mayor at the address of the Member and the Mayor

appearing on the books of the Corporation or at the address of the Council and the Mayor appearing on the records of the City, for purposes of notice.

2.10.4 The notice shall specify the place, date, and hour of the meeting and (1) for a special meeting, the general nature of the business to be transacted; or (2) for a regular meeting, those matters which the Board or the Member, at the time notice is given, intends to present for action by the Member. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

Any approval by the Member of any of the following proposals is valid only if the notice states the general nature of the proposal or proposals:

- (1) Removing a Director of the Board without cause;
- (2) Filling vacancies on the Board;
- (3) Amending the Articles or Bylaws; and
- (4) Electing to wind up and dissolve the Corporation.

An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the Secretary or any other officer of the Corporation giving the notice, and if so executed, shall be filed and maintained in the Corporation's minute book.

2.11 Quorum. The presence in person of a majority of the Council members shall constitute a quorum.

2.12 Adjournment. Any meeting of the Member may be adjourned from time to time by the vote of the majority of the Council. No meeting may be adjourned for more than forty-five (45) days. When a meeting of the Member is adjourned to another time or place, notice shall be given of the adjourned meeting as provided in Section 2.10 of these Bylaws, even if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken.

2.13 Voting. A majority vote means the affirmative vote of five (5) Council members. A two-thirds vote means the affirmative vote of six (6) Council members. Each Council member entitled to vote shall be entitled to cast one (1) vote on each matter submitted to a vote of the Member. Cumulative voting is prohibited. If a quorum is present, a majority vote of the Council members shall be the act of the Member, unless the vote of a greater number is required by the Articles, these Bylaws or the Law. In any election of Directors, the candidates receiving the highest number of votes are elected. Each Council member shall have the right to vote for as many nominees as there are vacancies on the Board to be filled by the Member.

2.14 Waiver of Notice or Consent. Notice of any special meeting of the Member in accordance with Section 2.10 of these Bylaws may be waived by any Council member who at or prior to the time the special meeting convenes delivers to the City Clerk of the City a written waiver of notice. The waiver of notice may be given by e-mail. The written notice of any special meeting of the Member may also be dispensed with as to any Council member who is actually present at the meeting at the time the meeting convenes. No written waiver of notice or consent

appearing on the books of the Corporation or at the address of the Council and the Mayor appearing on the records of the City, for purposes of notice.

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to the holding of a regular meeting of the Member, or an approval of the minutes of any regular meeting of the Member shall be permitted.

2.15 No Action by Unanimous Written Consent. A Member action may not be taken by unanimous written consent without a meeting and without prior notice.

2.16 No Action by Written Ballot Without a Meeting. A Member action, including the election of Directors, may not be taken by written ballot without a meeting and without prior notice.

2.17 Proxies. The Member shall not have the right to vote by a written proxy either in person or by authorizing one or more agents.

ARTICLE 3 BOARD OF DIRECTORS

3.1 General and Specific Powers. Subject to the provisions and limitations of the Law and any other applicable laws of the State of California, and subject to any limitations in the Articles and these Bylaws regarding actions that require approval of the Member, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the day-to-day operation of the business of the Corporation to a committee composed of Directors, or other person, provided that the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

3.2 Number, Nomination and Qualification of Directors.

3.2.1 Number. The authorized number of Directors shall be nine (9), until changed by amendment of the Articles or these Bylaws, provided that any amendment which reduces the number of Directors shall not have the effect of terminating the unexpired term of any Director.

3.2.2 Designation; Nomination. The Mayor shall appoint one Director as a representative of the Mayor and the Council shall appoint one Director as a representative of the Council. The remaining Directors shall be elected by the Member ("Elected Directors"). The Member shall adopt nomination and election procedures for the Elected Directors that comply with Section 5520 of the Law. These procedures shall include a method by which the Mayor submits candidates for election to the Member for its consideration. The procedures shall allow for a reasonable opportunity for a nominee to communicate to the Member the nominee's qualifications and the reasons for the nominee's candidacy. The Council may elect Directors to fill a vacant Director position, except for the Director position that represents the Mayor's Office, in the event that the Mayor does not submit any candidates to fill any such vacancies for ratification by the Council within ninety (90) days of the notification of any such vacancy. No corporate funds may be expended to support a nominee for Director.

3.2.3 Qualifications. No Director may be a member of the Council. At all times no less than a majority of the Directors shall have relevant experience in finance, real estate law, affordable housing, economic development, redevelopment or urban design as such experience is determined to be necessary by the Board. Care shall be taken to ensure that a broad spectrum of

the foregoing disciplines is represented on the Board and that no more than two (2) Directors on the Board shall represent each of the foregoing disciplines.

Prospective Elected Directors shall provide written evidence of the experience required by this Section 3.2.3 to the Mayor prior to any nomination for confirmation by the Council.

3.3 Election, Designation and Term of Office of Directors. Directors shall serve for a term of three (3) years. It is the intent of these Bylaws to have and maintain staggered terms of office for the Directors and to provide that no more than one third (1/3) of the Directors' offices expire each year. Election of the Directors for one third (1/3) of the Directors' offices shall occur annually by the Member at the regular meeting of the Member. However, if all of the Directors to be elected are not elected at any regular meeting, they may be elected at any special meeting of the Member held for that purpose.

Each Director, including a Director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. Directors may not serve more than two (2) consecutive three (3) year terms.

3.4 Vacancies.

3.4.1 A vacancy on the Board shall exist on the occurrence of the following:

(a) the death, disqualification, resignation, suspension, expulsion or termination of any Director;

(b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of any court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of Division 3 of the Law dealing with standards of conduct for a Director, or has missed three (3) consecutive meetings of the Board or a total of four (4) meetings of the Board during any one calendar year;

(c) subject to the notification provisions of Section 3.6 of these Bylaws, the vote by two-thirds (2/3) of the Council at a meeting of the Member to suspend or terminate and remove a Director with or without cause upon the direction of the Member, or by the vote of a simple majority of the Council at a meeting of the Council in favor of the recommendation to suspend or terminate and remove a Director upon a recommendation of the Mayor to the Council stating that the Mayor believes a Director has breached the provisions of these Bylaws;

(d) the increase in the authorized number of Directors; or

(e) the failure of the Member, at any meeting of the Member at which Directors are to be elected, to elect the number of Directors required to be elected at such meeting.

3.4.2 Removal of a Director for one or more of the reasons listed in (b) above may be initiated by any Director. A vacancy on the Board shall be filled pursuant to Section

the foregoing disciplines is represented on the Board and that no more than two (2) Directors on the Board shall represent each of the foregoing disciplines.

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Each Director, including a Director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. Directors may not serve more than two (2) consecutive three (3) year terms.

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(c) subject to the notification provisions of Section 3.6 of these Bylaws, the vote by two-thirds (2/3) of the Council at a meeting of the Member to suspend or terminate and remove a Director with or without cause upon the direction of the Member, or by the vote of a simple majority of the Council at a meeting of the Council in favor of the recommendation to suspend or terminate and remove a Director upon a recommendation of the Mayor to the Council stating that the Mayor believes a Director has breached the provisions of these Bylaws;

(d) the increase in the authorized number of Directors; or

(e) the failure of the Member, at any meeting of the Member at which Directors are to be elected, to elect the number of Directors required to be elected at such meeting.

3.4.2 Removal of a Director for one or more of the reasons listed in (b) above may be initiated by any Director. A vacancy on the Board shall be filled pursuant to Section

3.2.2 of these Bylaws. No reduction in the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

3.5 Resignations of Directors. Except as provided in these Bylaws, any Director may resign by giving written notice to the Member and the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no Director may resign when the Corporation would then be left without a duly elected Director in charge of its affairs.

3.6 Removal of Directors. A Director may be removed from office, with or without cause, by the vote of two-thirds (2/3) of the Council. Notwithstanding the preceding, prior to the removal of any Director, the Director to be removed shall have been notified in writing in the manner set forth in Section 2.10 that such action would be considered at the meeting at which removal is voted.

3.7 Fees and Compensation of Directors. Directors may not receive any compensation for their services as such, but may receive reasonable reimbursement of expenses incurred in the performance of their duties, including advances as provided in Section 5.2, as may be fixed or determined by resolution of the Board. Directors may not be compensated for rendering services to this Corporation in any capacity other than as a Director, unless such compensation is reasonable and approved as provided in Section 5.3 of these Bylaws.

3.8 Inspection Rights of Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations, including, but not limited to, Southeastern Economic Development Corporation (collectively, "Subsidiary Corporations") subject to the execution of a confidentiality agreement for confidential records and documents as determined by counsel to the Corporation. The inspection may be made in person or by an agent or attorney during normal weekday hours, and shall include the right to copy and make extracts of documents. If a Director wishes to be accompanied by an attorney during such inspection, then the inspection will be scheduled at a time when the Corporation's attorney will be present at the election of the Corporation.

ARTICLE 4 MEETINGS OF THE BOARD

4.1 Legal Compliance. Notwithstanding any other provision in these Bylaws, all meetings of the Board shall be held in compliance with the requirements of the Brown Act and any other applicable requirements under the Law.

4.2 Annual and Regular Meetings. The Board shall meet annually for a regular meeting of the Board no later than sixty (60) days after a meeting of the Member for purposes of organization, election of officers and the transaction of other business. Other regular meetings of the Board shall be held at such times as are fixed by the Board or requested by the Member.

4.3 Special Meetings. Special meetings of the Board shall be held upon four (4) days notice by first-class mail, or forty-eight (48) hours notice delivered personally or by telephone,

including a voice messaging system or by electronic transmission by the Corporation at such times that are fixed by the Board or requested by the Member. The call and notice shall specify the time and place of the special meeting and the business to be transacted at the special meeting. No other business shall be considered at these special meetings of the Board. Provided, however, notice of a special meeting of the Board may be waived by any Director who at or prior to the time the special meeting convenes delivers to the Secretary a written waiver of notice. The waiver of notice may be given by electronic mail. All waivers of notice of the special meeting shall be filed with the corporate records or made a part of the minutes of the meetings of the Board. The written notice of any special meeting of the Board may also be dispensed with as to any Director who is actually present at the special meeting at the time the meeting convenes. Special meetings of the Board shall comply with the Brown Act and the Law.

4.4 Public Notice and Place of Meetings. All regular and special meetings of the Board shall be held with notice and in compliance with the Brown Act. Meetings shall be held at any place designated by resolution of the Board, or, if not designated, at the principal office of the Corporation and included in the notice of the meeting in accordance with these Bylaws. A meeting may be held at any place provided in the notice in accordance with these Bylaws.

4.5 Calling Meetings; Notice to Directors, Council and Mayor. Meetings of the Board for any purpose may be called at any time by the Chairperson, the President, the Secretary, any two (2) Directors or the Member. In addition to the notice required by the Brown Act, notice of the date, time, and place of meetings shall be delivered personally or communicated to each Director, the Council members and the Mayor by telephone, including a voice messaging system which records and communicates messages, facsimile, or electronic mail at least four (4) days before the date of the meeting for any regular meeting of the Board. Notice may be communicated by telegraph, express mail service, first-class mail, or by other means of written communication, charges prepaid. Said notice shall be addressed to the Directors, the Council members and the Mayor at their respective addresses as shown upon the records of the Corporation or the records of the City, deposited in the mail or given to the express mail company or other carrier at least seven (7) days before the date of the meeting. The notice shall specify the purpose of the meeting.

4.6 Meetings by Telecommunication Equipment. Any meeting may be held by conference telephone or other communications equipment permitted by the Law, as long as all Directors participating in the meeting can communicate with one another and all other requirements of the Law and the Brown Act are satisfied. All such Directors shall be deemed to be present in person at such meeting.

4.7 No Waiver of Notice. A Director may not waive notice or consent to the holding of a regular meeting of the Board without the notice provided in this Section 4.5 under any circumstances. No transaction at any regular meeting of the Board is valid under any circumstances if, either before or after the meeting, any or all Directors, not present in person or by proxy, sign a written waiver of notice, a consent to the holding of the regular meeting, or an approval of the minutes of the regular meeting. All such waivers, consents, and approvals shall be invalid.

4.8 Quorum; Action at a Meeting. The presence of a majority of the Directors authorized in these Bylaws at a meeting of the Board constitutes a quorum for the transaction of

including a voice messaging system or by electronic transmission by the Corporation at such times that are fixed by the Board or requested by the Member. The call and notice shall specify the time and place of the special meeting and the business to be transacted at the special meeting. No other business shall be considered at these special meetings of the Board. Provided, however, notice of a special meeting of the Board may be waived by any Director who at or prior to the time the special meeting convenes delivers to the Secretary a written waiver of notice. The waiver of notice may be given by electronic mail. All waivers of notice of the special meeting shall be filed with the corporate records or made a part of the minutes of the meetings of the Board. The written notice of any special meeting of the Board may also be dispensed with as to any Director who is actually present at the special meeting at the time the meeting convenes. Special meetings of the Board shall comply with the Brown Act and the Law.

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4.7 No Waiver of Notice. A Director may not waive notice or consent to the holding of a regular meeting of the Board without the notice provided in this Section 4.5 under any circumstances. No transaction at any regular meeting of the Board is valid under any circumstances if, either before or after the meeting, any or all Directors, not present in person or by proxy, sign a written waiver of notice, a consent to the holding of the regular meeting, or an approval of the minutes of the regular meeting. All such waivers, consents, and approvals shall be invalid.

4.8 Quorum: Action at a Meeting. The presence of a majority of the Directors authorized in these Bylaws at a meeting of the Board constitutes a quorum for the transaction of

business. Every act done or decision made by a majority of the Directors present at a meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Articles, these Bylaws or the Law. Directors may not vote by proxy. A meeting at which a quorum is initially present, including an adjourned meeting, may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a disinterested majority of the required quorum for such meeting, or such greater number as required by the Articles, these Bylaws or the Law.

4.9 Adjourned Meeting and Notice. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given to the Directors who were not present at the time of the adjournment and the Council members and the Mayor as provided in Section 4.5 of these Bylaws. Such notice may not be waived under any circumstances.

4.10 Participation of City Officials. The Council members shall be entitled to attend any meetings of the Board or any committee thereof and shall receive notice of such meetings in accordance with Section 4.5. However, neither the Council members nor the Mayor shall be entitled to vote on any matter considered by the Board or any committee thereof at any meeting. The Council members and the Mayor shall be entitled to make presentations to the Board and propose recommendations for consideration by the Board and any committees thereof on matters related to the business or operations of the Corporation.

4.11 No Action Without a Meeting. The Board may not take any action by unanimous written consent without a meeting and without prior notice as required by this Article 4 under any circumstances. Any such action by the unanimous written consent of the Board shall be invalid.

4.12 Conduct of Meetings. Meetings of the Board shall be presided over by the Chairperson, or in his or her absence, by the Vice Chairperson, or in the absence of the Chairperson and the Vice Chairperson, by a person chosen by the majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board; provided, however, that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

ARTICLE 5 STANDARD OF CARE

5.1 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 this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation 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:

5.1.1 One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

5.1.2 Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

5.1.3 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 the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in these Bylaws, a person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

5.2 Loans; Advances. This Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer, unless approved by the California Attorney General; provided, however, that this Corporation may advance money to a Director or officer of this Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

5.3 Compensation of Officers and Employees. No officer or any of the two highest compensated employees of the Corporation may receive compensation, as such compensation is determined by the books and records of the Corporation, directly or indirectly, from the Corporation unless such compensation is first determined by the disinterested Directors, as defined in the Law, or an authorized committee thereof, to be just and reasonable to the Corporation. In this regard, the following procedures shall apply:

5.3.1 The names of the persons who were present for discussions and votes relating to the compensation arrangement, the content of the discussion, including any of the information used to determine the reasonableness of the compensation and a record of any votes taken in connection with the proceedings shall be maintained in the minutes of the Corporation.

5.3.2 The determination of reasonableness shall be based upon information about compensation paid by similarly situated organizations for similar services, current compensation surveys compiled by independent firms or actual written offers from similarly situated organizations. Similarly situated organizations may include both taxable and tax-exempt organizations.

5.3.3 No officer or employee shall participate in the discussion and approval of his or her compensation, except that such persons may provide information to the disinterested Directors.

5.1.1 One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

5.1.2 Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

5.1.3 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 the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in these Bylaws, a person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

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5.3.2 The determination of reasonableness shall be based upon information about compensation paid by similarly situated organizations for similar services, current compensation surveys compiled by independent firms or actual written offers from similarly situated organizations. Similarly situated organizations may include both taxable and tax-exempt organizations.

5.3.3 No officer or employee shall participate in the discussion and approval of his or her compensation, except that such persons may provide information to the disinterested Directors.

5.4 Compensation of Independent Contractors. The Board shall review and approve all contracts, agreements or arrangements with any independent contractor in accordance with the terms set forth in the Purchasing & Contracting Policies.

5.5 Board Review of Fairness of Compensation. The Board shall review the fairness of compensation, including benefits paid, in accordance with the requirements of Government Code Section 12586(g), or any successor section, of any person, regardless of title, with powers, duties or responsibilities comparable to a president, chief executive officer, treasurer or chief financial officer upon the occurrence of the following events:

5.5.1 The officer is hired;

5.5.2 The officer's term of employment is extended or renewed; or

5.5.3 The officer's compensation is modified, unless such modification occurs pursuant to a general modification of compensation that extends to all employees.

5.6 Periodic Reviews. The Board shall conduct periodic reviews to ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The periodic reviews shall, at a minimum, include the following subjects:

5.6.1 Whether compensation arrangements and benefits payable to officers, Directors and employees are reasonable, based on competent survey information, and the result of arm's length bargaining.

5.6.2 If applicable, whether partnerships and joint ventures conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

When conducting the periodic reviews as provided for above, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

5.7 Restriction on Interested Directors. No person serving on the Board at any time may be an interested person. An interested person is (1) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (2) 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. However, any violation of the provisions of this Section 5.7 shall not affect the validity or enforceability of any transaction entered into by the Corporation.

5.8 Indemnification. In accordance with the provisions of this Section 5.8, this Corporation shall indemnify its Directors, officers and employees and including persons formerly occupying any such position, and their heirs, executors, and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in said Section 5238(a) of the

Law, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section, if: (i) such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, (ii) in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. "Expenses" shall have the same meaning as in Section 5238(a) of the Law.

No indemnification shall be made if any of the conditions set forth in Section 5238(c)(1) through (3) or any successor provision of the Law are present. Except as provided in subdivision (d) of Section 5238 of the Law, any indemnification shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the Director, officer and employee has met the applicable standard of care set forth in subdivision (b) or (c) of Section 5238 of the Law, by: (i) a majority vote of a quorum consisting of Directors who are not parties to such proceeding; (ii) approval of the Member (Section 5034 of the Law), or (iii) the court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled apart from this Section 5.8, provided, however, any other such indemnification rights shall be consistent with this Section 5.8.

5.9 Insurance. The Corporation shall purchase and maintain insurance on behalf of its Directors, officers and employees as determined and approved by either the Board and the Member or the Board and the Successor Agency (as applicable) against any liability asserted against or incurred by the Director, officer and employee in such capacity or arising out of the Director's, officer's and employee's status as such.

ARTICLE 6 CORPORATE GOVERNANCE

6.1 Submission of Consulting Services Budget. The Corporation shall prepare and submit to the Member, a Consulting Services Budget or budgets (as the term "Consulting Services Budget" is defined in any Agreement for Consulting Services between the City or the Successor Agency and the Corporation (collectively, the "Agreements")). The Consulting Services Budget shall be in complete and final form, be based on reasonable assumptions in connection with an appropriate due diligence review which has been approved by the Board and contain its best estimate of the revenue and expenditures of the Corporation for the next succeeding fiscal year. The Consulting Services Budget shall be submitted at the time requested by, and be acceptable in form and content to, the Member. Prior to approval by the Board in accordance with this Section 6.1, the Consulting Services Budget shall first be prepared, reviewed and approved by management of the Corporation, then submitted to the CFO of the City for review and comment, then submitted to the Board for review and approval and finally submitted to the Council for review and approval. Any line item transfer of funds in the Consulting Services Budget approved by the Council ("Approved Consulting Services Budget") in excess of \$10,000 must be presented to and approved by the Board on a monthly basis.

Law, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section, if: (i) such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, (ii) in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. "Expenses" shall have the same meaning as in Section 5238(a) of the Law.

No indemnification shall be made if any of the conditions set forth in Section 5238(c)(1) through (3) or any successor provision of the Law are present. Except as provided in subdivision (d) of Section 5238 of the Law, any indemnification shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the Director, officer and employee has met the applicable standard of care set forth in subdivision (b) or (c) of Section 5238 of the Law, by: (i) a majority vote of a quorum consisting of Directors who are not parties to such proceeding; (ii) approval of the Member (Section 5034 of the Law), or (iii) the court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled apart from this Section 5.8, provided, however, any other such indemnification rights shall be consistent with this Section 5.8.

5.9 Insurance. The Corporation shall purchase and maintain insurance on behalf of its Directors, officers and employees as determined and approved by either the Board and the Member or the Board and the Successor Agency (as applicable) against any liability asserted against or incurred by the Director, officer and employee in such capacity or arising out of the Director's, officer's and employee's status as such.

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6.2 Corporate Policies.

6.2.1 Compliance. The Corporation shall at all times be subject to and shall comply with all existing Board-approved corporate policies, including, but not limited to, any and all Governance Policies, Purchasing & Contracting Policies, Ethics & Conflicts of Interest Policies, Fiscal & Financial Policies and Document Retention Policies, with any necessary technical amendments thereto to conform said policies to the Articles and these Bylaws. Subject to Section 6.2.2, the foregoing policies shall be updated from time to time, as determined by the Board, to ensure that said policies reflect the current best practices in public governance and continue to comply with applicable law. All policies of the Corporation shall be posted on its website.

6.2.2 Member Approval. Any proposed changes to the Fiscal & Financial Policies, Purchasing & Contracting Policies and the Conflict of Interest Policy shall first be submitted to the Board for review and approval, then to the CFO of the City for review and comment (except the Conflicts of Interest Policy) and finally submitted to the Council for review and approval.

6.3 Corporate Contracts. All contracts of the Corporation shall comply fully with the Agreements, Board-approved Fiscal & Financial Policies, Purchasing & Contracting Policies and all other policies and procedures of the Corporation.

6.4 Personnel Manual. The Corporation shall at all times be subject to and shall comply with the comprehensive written personnel manual adopted by the Board (“Personnel Manual”). The Personnel Manual shall be updated annually to ensure the best practices in personnel management remain current.

6.5 Conflicts of Interest. To the extent necessary, and subject to the approval of the Council, the Corporation shall update its Conflict of Interest Policy. In addition, the Corporation and its officers, Directors, employees and consultants shall comply with the disclosure and disqualification requirements of the Political Reform Act, as it may apply, as set forth in section 87100 et seq. of the California Government Code and with any other conflict of interest and related provisions of applicable state and local law.

6.6 Training Program in Ethics, Fiduciary Duties and Corporate Governance. Officers, Directors and employees shall participate in all training programs in ethics, fiduciary duties and corporate governance adopted by the Board. Such training programs shall be completed at least every two (2) years. Certificates of compliance shall be submitted to the CFO of the City at least every two (2) years demonstrating compliance with the training requirements.

6.7 Performance Audits. The Member may request at any time and for any reason in its discretion that a performance audit of the Corporation be undertaken by the City Auditor or a third party consultant. The Corporation shall pay, in full, all costs and expenses associated with any performance audit requested by the Member, provided, however, the Corporation shall be required to pay for only one performance audit in each fiscal year.

6.8 Public Disclosure. The Corporation shall timely provide on its website at all times copies of: (i) the agendas and all minutes of the proceedings of the Board and any committees thereof; (ii) all material reports provided by or on behalf of the Corporation; (iii) the current year

Approved Consulting Services Budget; (iv) the financial statements of the Corporation for the prior three (3) fiscal years; (v) all policies of the Corporation, including the policies set forth in Sections 6.2, 6.3, 6.4 and 6.5; (vi) all executed contracts above \$250,000, excluding any confidential provisions of such contracts, if any; and (vii) the Articles, the Bylaws and all amendments thereto.

6.9 Oversight of Outside Counsel by City Attorney. The City Attorney of the City shall not be obligated pursuant to City Charter Section 40 to provide legal services, or perform any duties of a legal nature, for Consultant. The City Attorney may, at his or her sole discretion, agree to provide legal services, and/or perform duties of a legal nature, for the Corporation upon terms and conditions directed by the City Attorney. Additionally, the City Attorney of the City shall be authorized to approve, reject or terminate all contracts for outside legal counsel retained and managed by the Corporation.

6.10 Violation of Policies. A violation of any policy of the Member or applicable City policy ("City Policy") is a material violation of these Bylaws. In the event the Corporation does not have a Board-approved policy with regard to any matter or matters that are covered by a City Policy, the Corporation agrees that the applicable City Policy shall control and be applicable to the Corporation for such matter or matters.

ARTICLE 7 COMMITTEES OF THE BOARD

7.1 Committees. Except as limited by this Section 7.1, the Board may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, designate one or more committees for any purposes and delegate to such committees any of the powers and authorities of Board to the extent permitted by Section 5212 of the Law and to the extent of the powers specifically delegated in a resolution of the Board or in these Bylaws. All such committees shall consist of two (2) or more Directors to serve at the pleasure of the Board. The Board may designate one or more alternate members of any committee, who may replace any absent member at any meeting of the committee. The Board may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

7.1.1 Approve any action that, under the Law or the Articles or these Bylaws, also requires approval of the Member;

7.1.2 Fill vacancies on, or remove members of, the Board or in any committee that has the authority of the Board;

7.1.3 Amend or repeal the Articles or the Bylaws or adopt new bylaws;

7.1.4 Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;

7.1.5 Appoint any other committees of the Board or their members;

7.1.6 Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the

Approved Consulting Services Budget; (iv) the financial statements of the Corporation for the prior three (3) fiscal years; (v) all policies of the Corporation, including the policies set forth in Sections 6.2, 6.3, 6.4 and 6.5; (vi) all executed contracts above \$250,000, excluding any confidential provisions of such contracts, if any; and (vii) the Articles, the Bylaws and all amendments thereto.

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7.1.1 Approve any action that, under the Law or the Articles or these Bylaws, also requires approval of the Member;

7.1.2 Fill vacancies on, or remove members of, the Board or in any committee that has the authority of the Board;

7.1.3 Amend or repeal the Articles or the Bylaws or adopt new bylaws;

7.1.4 Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;

7.1.5 Appoint any other committees of the Board or their members;

7.1.6 Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the

property and assets of the Corporation otherwise than in the usual and regular course of its business; or revoke any such plan; or

7.1.7 Approve any self-dealing transaction, except as provided by Section 5233 of the Law.

No committee shall bind the Corporation in a contract or agreement or expend corporate funds, unless authorized to do so by the Board.

7.2 Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 4 of these Bylaws, concerning meetings and actions of Directors, with such changes in the context of those bylaws 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 determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board, or by the chair of such committee or a majority of the members of such committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

7.3 Executive Committee. Pursuant to Section 7.1, the Board may appoint an Executive Committee composed of three (3) or more Directors, one of whom shall be the Chairperson. The Executive Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Section 6.1. The Secretary shall send to each Director a summary report of the business conducted at any meeting of the Executive Committee.

7.4 Audit Committee.

7.4.1. Membership. The Board shall appoint an Audit Committee. The committee may be comprised of two (2) or more persons and may include a non-voting citizen member. The Audit Committee shall comply with the requirements of Government Code Section 12586(e)(2) ("Section 12586(e)(2)") or any successor section, regarding the requirements and membership of the Audit Committee including that the Membership of the Audit Committee shall not include the following persons:

- (a) The President or the Chairperson;
- (b) The Chief Financial Officer or the Treasurer;
- (c) Any employee of the Corporation; or
- (d) Any Director with a material financial interest in any entity doing business with the Corporation.

As required by Section 12586(e)(2), in the event that the Board appoints a Finance Committee, members of the Finance Committee must constitute less than one-half of the Membership of the Audit Committee and the Chair of the Finance Committee shall not serve on the Audit Committee.

7.4.2 Duties. The Audit Committee shall assist the Board in fulfilling its responsibility for the oversight of the integrity of the Corporation's financial statements and internal control procedures and the Corporation's compliance with legal and regulatory requirements. The Audit Committee shall also be responsible for recommending to the Board the retention or termination of the independent auditor to prepare the audited financial statements of the Corporation, who shall be an independent certified public accountant; assist the Board in the selection, review of qualifications, supervision of the independent auditor's management independence, and review of performance; and shall negotiate the independent auditor's compensation on behalf of the Board. Moreover, the Audit Committee shall confer with the independent auditor to satisfy its members that the financial affairs of the Corporation are in order; shall review and determine whether to accept the audit; shall ensure that any non-audit services, if any, performed by the independent auditor conform with statutory and regulatory standards for auditor independence; and shall approve the performance of non-audit services, if any, by the independent auditor.

ARTICLE 8 OFFICERS

8.1 Officers. The officers of the Board shall consist of a Chairperson, Vice Chairperson, Secretary, and Treasurer whose duties as treasurer may be set forth in a resolution of the Board. The officers of the Corporation shall consist of the President and Chief Financial Officer. The Board may appoint such other officers of the Board or Corporation as the Board may designate by resolution including a fiscal agent. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the Chairperson or as President. In addition to the duties specified in this Article 8, officers shall perform all other duties customarily incident to their office and such other duties as may be required by law, by the Articles, or by these Bylaws, subject to control of the Member and the Board, and shall perform such additional duties as the Board shall from time to time assign. The Chairperson, Vice Chairperson, Secretary and Treasurer shall be elected by the Board from its members. The President and the Chief Financial Officer shall be employees of the Corporation. The following procedures shall apply to officers of the Board:

8.1.1 Election of Officers. The officers of the Board shall be chosen by election of the Board, and such officers shall serve at the pleasure of the Board.

8.1.2 Removal. Any officer of the Board may be removed with or without cause by the Board.

8.1.3 Resignation. Any officer of the Board may resign at any time by giving written notice to the Board, the Chairperson or the Secretary. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective.

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8.1.4 Vacancy. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws.

8.2 Officers of the Board.

8.2.1 Chairperson. The Chairperson shall, when present, preside at all meetings of the Board and Executive Committee. The Chairperson is authorized to execute in the name of the Corporation all the contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation, except when by law the signature of the President is required.

8.2.2 Vice Chairperson. The Vice Chairperson shall, in the absence of the Chairperson, or in the event of his or her inability or refusal to act, perform all the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson.

8.2.3 Treasurer. The Treasurer shall be responsible for the oversight of the financial affairs of the Corporation. The Treasurer shall also be the chair of the Budget/Finance and Administration Committee, if any, and shall be assigned any other duties as determined by the Board.

8.2.4 Secretary. The Secretary, or his or her designee, shall be custodian of all records and documents of the Corporation which are to be kept at the principal office of the Corporation, shall act as secretary of all the meetings of the Board and the Member, 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 see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

8.3 Officers of the Corporation.

8.3.1 President.

(a) Duties. Subject to the control, advice and consent of the Board, the President shall, in general, supervise and conduct the activities and operations of the Corporation, shall keep the Board fully informed and shall freely consult with them concerning the activities of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. Where appropriate, the Board shall place the President under a contract of employment. The President shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board. The President shall be responsible for the hiring and firing of all personnel except the Chief Financial Officer, and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies adopted by the Board. The President shall be authorized to contract, receive, disburse, and account for funds of the Corporation; to execute in the name of the Corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation; and to negotiate all material business transactions of the Corporation.

(b) Selection. Subject to confirmation by the Mayor and Council with a two-thirds (2/3) vote in favor thereof, the Mayor shall appoint a qualified candidate to the position of President.

(c) Review and Compensation. The Board shall set the compensation of the President and perform an annual performance evaluation of the President in accordance with the review process set forth in Section 5.5.

(d) Suspension; Termination. The Mayor and the Board, subject to concurrence by the Mayor, shall have the right at any time to suspend and terminate the President, with or without cause, subject to the right of the President to appeal any suspension or termination to the Council and provided that any determination by the Council of any such appeal shall be supported by a two-thirds (2/3) vote in favor thereof. In the event that the Mayor and/or the Board takes no action, the Council shall have the right to suspend and terminate the President for cause, as determined by the Council, upon a two-thirds (2/3) vote of the Council in favor of such suspension or termination.

(e) Vacancy. In the event of a vacancy in the office of the President, for whatever reason, or in the event the President is unable to or refuses to perform the duties set forth herein or as assigned by the Board, the Board shall select a qualified employee of the Corporation to serve as the interim President until the President is able to return to his or her duties or a permanent replacement is selected by the Board and approved by the Mayor and Council.

8.3.2 Chief Financial Officer.

(a) Duties. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The Chief Financial Officer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Chief Financial Officer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board, and shall render to the Chairperson, President and Directors, whenever they request it, an account of all of the Chief Financial Officer's transactions as Chief Financial Officer and of the financial condition of the Corporation. If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Chief Financial Officer's office and for restoration to the Corporation of all its books, papers, vouchers, money and other property of every kind in the Chief Financial Officers' possession or under the Chief Financial Officer's control on his or her death, resignation, retirement, or removal from office. If required, the Corporation shall pay the cost of such bond.

(b) Selection. The Chief Financial Officer shall be appointed by the Board, and shall serve at the pleasure of the Board, subject to the rights, if any, under his or her contract of employment.

(b) Selection. Subject to confirmation by the Mayor and Council with a two-thirds (2/3) vote in favor thereof, the Mayor shall appoint a qualified candidate to the position of President.

(c) Review and Compensation. The Board shall set the compensation of the President and perform an annual performance evaluation of the President in accordance with the review process set forth in Section 5.5.

(d) Suspension; Termination. The Mayor and the Board, subject to concurrence by the Mayor, shall have the right at any time to suspend and terminate the President, with or without cause, subject to the right of the President to appeal any suspension or termination to the Council and provided that any determination by the Council of any such appeal shall be supported by a two-thirds (2/3) vote in favor thereof. In the event that the Mayor and/or the Board takes no action, the Council shall have the right to suspend and terminate the President for cause, as determined by the Council, upon a two-thirds (2/3) vote of the Council in favor of such suspension or termination.

(e) Vacancy. In the event of a vacancy in the office of the President, for whatever reason, or in the event the President is unable to or refuses to perform the duties set forth herein or as assigned by the Board, the Board shall select a qualified employee of the Corporation to serve as the interim President until the President is able to return to his or her duties or a permanent replacement is selected by the Board and approved by the Mayor and Council.

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(a) Duties. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The Chief Financial Officer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Chief Financial Officer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board, and shall render to the Chairperson, President and Directors, whenever they request it, an account of all of the Chief Financial Officer's transactions as Chief Financial Officer and of the financial condition of the Corporation. If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Chief Financial Officer's office and for restoration to the Corporation of all its books, papers, vouchers, money and other property of every kind in the Chief Financial Officers' possession or under the Chief Financial Officer's control on his or her death, resignation, retirement, or removal from office. If required, the Corporation shall pay the cost of such bond.

(b) Selection. The Chief Financial Officer shall be appointed by the Board, and shall serve at the pleasure of the Board, subject to the rights, if any, under his or her contract of employment.

(c) Review and Compensation. The Board shall set the compensation of the Chief Financial Officer and perform an annual performance evaluation of the Chief Financial Officer in accordance with the review process set forth in Section 5.5.

(d) Vacancy. In the event of a vacancy in the office of the Chief Financial Officer, for whatever reason, or in the event the Chief Financial Officer is unable to or refuses to perform the duties set forth herein or as assigned by the Board, the Board shall select a qualified employee of the Corporation to serve as the interim Chief Financial Officer until the Chief Financial Officer is able to return to his or her duties or a permanent replacement is selected by the Board.

ARTICLE 9 EXECUTION OF CORPORATE INSTRUMENTS

9.1 Execution of Corporate Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board shall authorize to do so.

9.2 Loans and Contracts. No loans or advances shall be contracted on behalf of the Corporation and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board. Without the express and specific authorization of the Board, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

ARTICLE 10 RECORDS, FINANCIAL STATEMENTS AND REPORTS

10.1 Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal office the original or a copy of its Articles and Bylaws as amended to date, which shall be open to inspection by the Member and Directors at all reasonable times during office hours.

10.2 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. The Corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three (3) years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

10.3 Maintenance and Inspection of Other Corporate Records. The Corporation shall keep adequate and correct books and records of accounts; written minutes of the proceedings of the Member, Board, and committees of the Board; and a record of the Member's name and address. All such records shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed

form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Corporation shall turn over to his or her successor, the Chairperson or President, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the Corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Upon written demand to the Corporation, the Member may inspect, copy, and make extracts of the: (i) accounting and financial books and records; (ii) the minutes of proceedings of the Member, the Board, and committees of the Board; (iii) the personnel records (subject to appropriate confidentiality protections) and any and all documents, records and reports relating to the business and operations of the Corporation, at any reasonable time but no later than ten (10) days after the written request by the Member. The Member shall designate the person(s) that may exercise this inspection right on its behalf.

Any inspection and copying under this Section may be made in person or by the Member's designated agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Corporation.

10.4 Preparation of Annual Audited Financial Statements. The Corporation shall prepare annual audited financial statements which shall be audited by an independent certified public accountant, in conformity with generally accepted accounting principles and under supervision of the Audit Committee established by these Bylaws. The Corporation shall make these financial statements available to the California Attorney General and members of the public for inspection no later than nine (9) months after the close of the fiscal year to which the statements relate.

The audited financial statements of the Corporation shall also include information related to the financial performance of the Subsidiary Corporations.

The Corporation shall, within one hundred thirty five (135) days after the close of each fiscal year of the Corporation, submit to the City Comptroller the audited financial statements of Corporation for the prior fiscal year including an opinion of the independent auditor that is prepared by an independent certified public accountant, covering the business and operations of the Corporation for such fiscal year. The Chief Financial Officer and the President shall review the financial statements upon presentation to the Board (or the Audit Committee). The Board, Chief Financial Officer, President and such other officers of the Corporation as the Member may designate shall provide certifications to the Member in connection with such audited financial statements in the form required by the Member.

10.5 Monthly Financial Reports. On or before the 30th day of each month, the Corporation shall prepare and shall file with the Chief Financial Officer of the City the unaudited monthly financial statements of the Corporation and its Subsidiary Corporations prepared in accordance with generally accepted accounting principles in the form and content requested by the Member which reflect the business and results of operations for the preceding month. The Board (or the Audit Committee) shall review and approve such monthly financial statements which shall be presented for approval to the Board by the Chief Financial Officer. The presentation to the Board of the monthly financial statements of the Corporation shall include a

form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Corporation shall turn over to his or her successor, the Chairperson or President, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the Corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

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comparison of the actual results of operations to the estimates provided in the Approved Consulting Services Budget, and the Chief Financial Officer shall explain and disclose to the Board any material variations between actual results and the Approved Consulting Services Budget.

10.6 Reports. The Board shall comply with Sections 6321 and 6322 of the Law, or any successor sections, and cause an annual report to be sent to all Directors, the Council members and the Mayor, within 120 days after the end of the Corporation's fiscal year, containing the following information:

10.6.1 The audited financial statements of this Corporation at the end of each fiscal year containing the information required by Section 6321 of the Law.

10.6.2 The information required by Section 6322 of the Law concerning certain self dealing transactions involving more than \$10,000 or indemnifications or advances aggregating more than \$10,000 which took place during the fiscal year.

10.6.3 The annual audited financial statements of this Corporation shall also include information related to the financial performance of the Subsidiary Corporations.

The annual report containing the audited financial statements shall be accompanied by the report of the independent public accountants who prepared the audited financial statements. The Corporation shall furnish to the Member a copy of any report filed by the Corporation with the California Attorney General.

ARTICLE 11 AMENDMENTS

11.1 Amendment of Articles. The amendment of the Articles of the Corporation is provided for by California state law and requires the affirmative vote of a majority of the Council and the filing of a certificate of amendment with the Secretary of State. Proposed amendments to the Articles must be in writing and sent to the Council in accordance with Council requirements in advance of the Member meeting at which they will be considered for adoption.

11.2 Amendment of Bylaws. Only the Member may adopt, amend, or repeal bylaws by an affirmative vote of a majority of the Council. Proposed amendments to these Bylaws must be in writing and sent to the Council in accordance with Council requirements in advance of the Member meeting at which they will be considered for adoption.

New and amended and restated Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of the Member. Any provision of these Bylaws that requires the vote of a larger proportion of the Council than otherwise is required by law may not be altered, amended or repealed except by the vote of that greater number.

ARTICLE 12
MISCELLANEOUS

12.1 Fiscal Year. The fiscal year for this Corporation shall begin on July 1 and shall end on June 30th.

12.2 Bonding. All Directors, officers or employees handling funds shall be properly bonded, if so required by the Board.

12.3 Gifts and Donations. The Board may accept on behalf of the Corporation any contributions, gifts, bequests or devises for the general purpose or for any special purpose of the Corporation not in violation of the Articles.

12.4 Nondiscrimination. The Corporation shall not refuse service or employment to any person, nor in any other way discriminate against any person, solely because of such person's sex, race, color, religion, creed, ancestry, national origin, age, marital status, physical disability, mental disability, preexisting medical condition or any other factor prohibited by law.

12.5 Interpretation and Construction. Any conflict between these Bylaws and the Articles shall be resolved in favor of the Articles. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Law as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

12.6 Dissolution. The Corporation shall not be voluntarily dissolved, except by approval of the Member. In the event of dissolution of the Corporation in any manner and for any cause, after the payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Corporation shall be paid or distributed as provided for in the Articles.

12.7 Corporate Seal. The Board may adopt, use, and alter a corporate seal. The seal shall be kept at the principal office of the Corporation. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

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CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Civic San Diego, a California nonprofit public benefit corporation (“Corporation”), formerly known as Centre City Development Corporation, Inc.; and

2. That the foregoing Amended and Restated Bylaws, comprising twenty-two (22) pages, constitute the Bylaws of said Corporation, as duly approved by the sole member of said Corporation, the City of San Diego, acting by and through its City Council, at a meeting duly held on _____, 2012.

3. That the foregoing Amended and Restated Bylaws, comprising twenty-two (22) pages, constitute the Bylaws of said Corporation, as duly approved by the Board of said Corporation at a meeting duly held on _____, 2012.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this ____ day of _____, 2012.

	<hr/> <p>Steven Reylea, Secretary</p>
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