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207  
11/10

**REQUEST FOR COUNCIL ACTION**  
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER  
(FOR AUDITOR'S USE ONLY)

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):  
CITY ATTORNEY

3. DATE:  
August 20, 2008

4. SUBJECT:  
SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION 2008 BYLAWS

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.)  
Lourdes M. Epley - 533-5837 MS 59

6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.)  
Jessie Fernandez -533-5874 MS59

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

**8. COMPLETE FOR ACCOUNTING PURPOSES**

FUND	DEPT.	ORGANIZATION	OBJECT ACCOUNT	JOB ORDER	C.I.P. NUMBER	AMOUNT	9. ADDITIONAL INFORMATION / ESTIMATED COST:

**10. ROUTING AND APPROVALS**

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT	KAREN HEUMANN, ASSISTANT CITY ATTORNEY	9/11/08	8	DEPUTY CHIEF		
2	EOCP			9	COO	JAY GOLDSTONE	9/14/08
3	EAS			10	CITY ATTORNEY	LOURDES M. EPLEY	9-15-08
4	LIAISON OFFICE			11	ORIG. DEPT		
5	AUDITOR			DOCKET COORD: _____ COUNCIL LIAISON _____			9/23/08
6	FM			✓	COUNCIL PRESIDENT	<input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION	
7					REFER TO: _____	COUNCIL DATE: 11/10/08	

11. PREPARATION OF:  RESOLUTIONS  ORDINANCE(S)  AGREEMENT(S)  DEED(S)

Approve the Resolution approving the form of the new 2008 Bylaws for the San Diego Facilities and Equipment Leasing Corporation.

11A. STAFF RECOMMENDATIONS:

APPROVE THE RESOLUTION

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S):

COMMUNITY AREA(S):

ENVIRONMENTAL IMPACT: This activity is not a "project" and therefore exempt from CEQA pursuant to the State Guidelines Section 15060 (c) (3)

HOUSING IMPACT:

OTHER ISSUES:

000291

EXECUTIVE SUMMARY SHEET  
City of San Diego

DATE ISSUED: August 20, 2008

ATTENTION: Council President and City Council

ORIGINATING DEPARTMENT: City Attorney's Office

SUBJECT: San Diego Facilities and Equipment Leasing Corporation new 2008 Bylaws

COUNCIL DISTRICT(S): ALL

CONTACT/PHONE NUMBER: Lourdes M. Epley 533-5837

REQUESTED ACTION:

Approve the Resolution approving the form of new 2008 Bylaws for the San Diego Facilities and Equipment Leasing Corporation.

STAFF RECOMMENDATION:

That the City Council of the City of San Diego approve the Resolution approving the form of the new 2008 Bylaws for the San Diego Facilities and Equipment Leasing Corporation.

EXECUTIVE SUMMARY:

The San Diego Facilities and Equipment Leasing Corporation, a California nonprofit charitable corporation ("Corporation"), was formed in 1998 to assist in the financing, acquisition, construction and improvement of certain capital facilities improvements for the City of San Diego ("City"). The City, as the sole Member of the Corporation, retained the power to amend the Corporation's Bylaws through the City Council. Those Bylaws originally contained cumbersome procedures, nonfunctional committees and audit requirements inconsistent with current law and practice. The original methodology for filling vacancies on the Board of the Corporation, for example, was described in two conflicting ways within the Bylaws; in one place, the Directors served ex officio during the term of their City position (City Attorney, Auditor and City Manager), while in another, two remaining Directors were authorized to pick a third. The City Attorney's office retained the law firm of Fulbright & Jaworski L.L.P. to represent the Corporation and the attached revised new 2008 Bylaws are their recommendation to bring the Corporation into compliance with the Corporations Code and City practice and to clarify the application of the Brown Act to the Corporation's meetings.

FISCAL CONSIDERATIONS:

None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

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None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

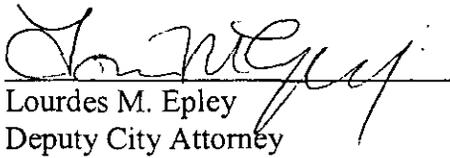
None.

OTHER RECOMMENDATIONS:

None. The proposed changes to the Corporation's Bylaws are not subject to the review or approval of the Corporation's Board.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

None.

  
Lourdes M. Epley  
Deputy City Attorney

RESOLUTION NUMBER R- \_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORM OF NEW BYLAWS FOR THE SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of San Diego, California [City] has previously formed its San Diego Facilities and Equipment Leasing Corporation, a California nonprofit charitable corporation [Corporation], duly organized under and by virtue of the laws of the State of California [State], established to assist in the financing, acquisition, construction and improvement of certain capital facilities improvements for the City; and

WHEREAS, the City, as the sole member of the Corporation, as defined in Section 5056 of the Corporations Code of the State, approved certain Bylaws for the operation of the Corporation [Original Bylaws], which are now outdated and obsolete in certain respects; and

WHEREAS, in order to improve the efficiency of operations of the Corporation and to clarify certain matters set forth in the Original Bylaws, the City now desires to approve replacement Bylaws [2008 Bylaws], for use by the Corporation;

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

Section 1. The City Council hereby finds and determines that the statements set forth above in the recitals of this Resolution are true and correct.

Section 2. The Original Bylaws are hereby declared ineffective and of no further force and effect, and the 2008 Bylaws are hereby approved. The 2008 Bylaws shall,

immediately upon the effective date of this Resolution, govern the operations of the Corporation for all purposes and the Corporation shall, at all meetings and in connection with all corporate actions taken after such effective date, operate pursuant to the provisions of the 2008 Bylaws.

Section 3. A copy of the 2008 Bylaws shall be filed by the City Clerk of the City with the California Secretary of State, together with a certified copy of this Resolution.

Section 4. This Resolution shall take effect immediately upon its adoption.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By  \_\_\_\_\_  
Lourdes M. Epley  
Deputy City Attorney

LME:jdf  
08/13/08  
Or.Dept:City Attorney  
R-2009-153

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of \_\_\_\_\_.

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Passed by the Council of the City of San Diego on \_\_\_\_\_, 2008, by the following

vote:

**YEAS:**

**NAYS:**

**NOT PRESENT:**

**RECUSED:**

**AUTHENTICATED BY:**

**JERRY SANDERS**

*Mayor of the City of San Diego, California*

**ELIZABETH S. MALAND**

*City Clerk of the City of San Diego, California*

(Seal)

By: \_\_\_\_\_, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of  
RESOLUTION NO. R-\_\_\_\_\_, approved by the Mayor of the City of San Diego, California  
on \_\_\_\_\_.

**ELIZABETH S. MALAND**

*City Clerk of the City of San Diego, California*

(Seal)

By: \_\_\_\_\_, Deputy

**BYLAWS**  
**OF**  
**SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION**

ARTICLE I

Offices and Seal

Section 1.1 Offices. The principal office for the transaction of business of the Corporation shall be c/o City of San Diego, City Attorney's Office, 1200 Third Avenue, Suite 1100, MS 59, San Diego, California 92101. The Board of Directors (the "Board") may, however, fix and change from time to time the principal office from one location to another within the United States by noting the change of address in the minutes of the meeting of the Board at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

Section 1.2 Seal. The Corporation may have a seal, the form of which the Board shall fix and may from time to time change.

ARTICLE II

Membership

Section 2.1 Membership. The City of San Diego (the "City") shall be the sole member (the "Member") of this Corporation and shall act through its City Council in accordance with the City Charter, the City's Municipal Code and applicable State laws.

The function of the Member hereunder shall be to appoint the Board and to perform such other duties as the Board may from time to time assign or establish with the prior approval of the Member.

Section 2.2 Regular Meetings of the Member, Notice. There shall be an annual meeting of the Member held each year during the month of May, unless consolidated with a meeting of the City Council called for the conduct of business within the month of April or June, and at such time and place as may be determined by the City Council. Notice of any meeting of the Member shall comply with the provisions contained in the Ralph M. Brown Act, commencing at Section 54950 of the Government Code of the State of California (the "Brown Act"). The annual meeting of the Member shall be held for the transaction of such business as may properly come before the meeting.

Section 2.3 Special Meetings of the Member, Notice. A special meeting of the Member may be held in accordance with the standard practices of the City Council for special meetings and shall comply with any restrictions contained in the Brown Act.

Section 2.4 Quorum. The presence in person of a majority of the City Council shall constitute a quorum for the transaction of business at all meetings.

Section 2.5 Action. Membership action shall be effective upon written notification to the Corporation by the City Manager of the City.

### ARTICLE III

#### Directors

Section 3.1 Powers. Subject to the limitations of law, the Articles of Incorporation and these Bylaws, the powers of this Corporation shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board.

Section 3.2 Number and Qualification of Directors. The authorized number of Directors of the Corporation (each, a "Director") shall be three (3), each of whom shall hold the position of Director *ex officio* the position of City Attorney, the Chief Financial Officer of the City and the City Manager of the City, until further action by the Member, upon which, any other three (3) persons or persons holding such other positions with the City as may be appointed by the Member. Pursuant to Article XV of the City Charter, establishing the City's "Mayor-Council" form of governance ("Article XV"), all references herein to "City Manager" shall be deemed to refer to the "Mayor" for so long as Article XV, by its terms, provides for the Mayor to be responsible for the day-to-day management of the City's affairs.

Section 3.3 Election and Term of Office. Inasmuch as the Directors hold such position *ex-officio* by virtue of their respective designation as appointed or elected officials of the City, the Directors shall serve for a term concurrent with their respective term of office as City officials and, upon the election or appointment of a new City Attorney, Chief Financial Officer or City Manager/Mayor, the position of Director shall thereupon be filled by the new individual assuming such office.

Section 3.4 Vacancies. Vacancies in the Board of Directors may be filled by the Member.

Section 3.5 Resignation and Removal. Any Director may resign at any time by giving written notice to the President or to the Board. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary in order to make it effective.

Section 3.6 Voting. Voting at meetings may be by voice or by ballot.

Section 3.7 Compensation and Reimbursement. Directors shall serve without compensation. Each Director may be reimbursed for necessary and actual expenses, including travel incident to such person's services as Director.

## ARTICLE IV

Meetings of the Board of Directors

Section 4.1 Regular Meetings, Annual Meetings, Notice. The annual meeting of the Corporation shall generally be held during the month of May, unless consolidated with a meeting of the Member called for the conduct of business within the month of April or June, and at such time and place as may be determined by the Board. Notice of any meeting of the Board shall comply with the provisions contained in the Brown Act. The annual meeting of the Board shall be held for the purpose of recognition of new Directors, the election of officers and for the transaction of such business as may properly come before the meeting.

Section 4.2 Special Meetings, Notice. Special meetings of the Board shall be held whenever called by the President or by any two Directors or by a sole remaining Director, and upon 24 hours' notice delivered personally or by any other means and shall comply with any further restrictions contained in the Brown Act.

Section 4.3 Participation. Directors may participate in a meeting through use of conference video, telephone or similar communications equipment, provided that all participants can hear one another and that such arrangements otherwise comply with the Brown Act.

Section 4.4 Quorum. A quorum shall consist of a majority of the members of the Board, attending in person or via electronic communications as provided above. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of any Directors, if any action taken is approved by a majority of the remaining Directors.

## ARTICLE V

Liability, Indemnification and Insurance

Section 5.1 Non-Liability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 5.2 Indemnification by Corporation and by City. Pursuant to Section 5238 of the California Corporation Code, the Corporation shall provide indemnity to any person who is or was a Director, officer, employee or agent of the Corporation under the circumstances and to the full extent permitted by law, including without limitation an action brought under Section 5233 of the California Corporations Code. The City has determined, and by its approval of these Bylaws has so declared, that the scope of employment of each position within the City identified in Sections 3.2 and 6.1 herein encompasses the role and duties of Director hereunder and that, therefore, pursuant to California Government Code 990, the City shall insure and

indemnify each Director against any or all liability arising from his or her actions taken as a Director of the Corporation in accordance with the Articles and these Bylaws.

## ARTICLE VI

### Officers

Section 6.1 Officers. The officers of the Corporation shall be a President, a Vice President, Secretary/Treasurer and such other officers as the Board may appoint. When the duties do not conflict, one person may hold more than one of these offices, except that the Secretary/Treasurer may not serve concurrently as the President of the Board. The President, Vice President and Secretary/Treasurer shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

Section 6.2 Selection of Officers. The officers of the Corporation shall be chosen annually by the Board and each shall hold office until such officer shall resign or shall be removed or otherwise disqualified to serve or a successor shall be selected.

Section 6.3 Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any meeting of the Board, or, except in the case of an officer chosen by the Board, by any officers upon whom such power of removal may be conferred by the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been selected.

Section 6.4 President. The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Corporation. The President shall preside at all meetings of the Board and the President shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation.

Section 6.5 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors and the Bylaws.

Section 6.6 Secretary/Treasurer. The Secretary/Treasurer shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized and the notice thereof given, the names of those present at meetings, and the proceedings thereof. The Secretary/Treasurer shall give or cause to be given notice of all special meetings of the Board and shall keep the corporate records in safe custody. The City Attorney may provide assistance to the Secretary/Treasurer by taking minutes at Corporation meetings and various other administrative duties.

The Secretary/Treasurer shall be the chief financial officer and shall keep and maintain adequate and correct books of account showing the receipts and disbursements of the Corporation, and an account of its cash and other assets, if any. Such books of account shall at all reasonable times be open to inspection by any Director. The Secretary/Treasurer shall deposit all moneys of the Corporation, if any, with such depositories as are designated by the Board of Directors, and shall disburse the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President of the Board of Directors, upon request, statements of the financial condition of the Corporation. The Secretary/Treasurer shall have such other powers and perform such other duties as from time to time may be prescribed for the Secretary/Treasurer by the Board of Directors or by the Bylaws.

It is not contemplated by the City or the Corporation that the Corporation shall ever have any income or profits, nor shall it have custody of money, other personal property or any real property, except that it may have an interest under a lease/purchase agreement or an installment purchase or sale agreement in certain property, taken for the purpose of assisting the City in the financing of capital improvements.

Section 6.7 Subordinate Officers. The Board may elect or authorize the appointment of such officers other than those hereinabove mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors from time to time may authorize or determine.

## ARTICLE VII

### General Provisions

Section 7.1 Objects and Purposes. The business of this Corporation is to be operated and conducted in the promotion of its objectives and purposes as set forth in its Articles of Incorporation.

Section 7.2 Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board.

Section 7.3 Execution of Contracts. The Board, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to tender it liable for any purpose or in any amount.

Section 7.4 Fiscal Year. The fiscal year of the Corporation shall commence on the first day of July of each year and shall end on the last day of June of the succeeding year.

ARTICLE VIII

Amendment to Bylaws

These Bylaws may be adopted, amended or repealed by action taken by the Member, or by the Board of Directors with the express consent of the Member.

This is to certify that the foregoing is a true and correct copy of the Bylaws of the Corporation named in the title of these Bylaws and that such Bylaws were duly adopted by the Board of Directors of such Corporation on \_\_\_\_\_, 2008.

\_\_\_\_\_  
Secretary/Treasurer

BYLAWS  
OF  
SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION

ARTICLE I  
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Offices and Seal

Section 1.1 ^Offices. The principal office for the transaction of ^business of the Corporation shall be ^c/o City of San Diego, ^City Attorney's Office, 1200 Third Avenue, Suite 1100, MS 59, San Diego, California 92101. The Board of Directors (the "Board") may, however, fix and change from time to time the principal office from one location to another within the United States by noting the change of address in the minutes of the meeting of the Board at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

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Section 1.2 Seal. The Corporation may have a seal, the form of which the Board shall fix and may from time to time change.

ARTICLE II  
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Membership

Section 2.1 ^Membership. The City of San Diego (the "City") shall be the sole member (the "Member") of this Corporation and shall act through its City Council in accordance with the City Charter, the City's Municipal Code and ^applicable State laws.

The function of the Member hereunder shall be to ^appoint the Board<sup>^</sup> and to perform such other duties as the Board<sup>^</sup> may from time to time assign or establish with the prior approval of the Member.

Section 2.2 ^Regular Meetings of the Member, Notice. There shall be an annual meeting of the Member ^held each year during the month of May, unless consolidated with a meeting of the City Council called for the conduct of business within the month of April or June, and at such time and place as may be determined by the ^City Council. Notice of any meeting of the Member shall comply with the provisions contained in the Ralph M. Brown Act, commencing at Section 54950 of the Government Code of the State of California (the "Brown Act"). The annual meeting of the Member shall be held for the transaction of such business as may properly come before the meeting.

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Section 2.3 Special Meetings of the Member, Notice. A special meeting of the Member may be held in accordance with the standard practices of the City Council for special meetings and shall comply with any restrictions contained in the Brown Act.

Section 2.4 Quorum. The presence in person of a majority of the City Council shall constitute a quorum for the transaction of business at all meetings.

Section 2.5 Action. Membership action shall be effective upon written notification to the Corporation by the City Manager of the City.

ARTICLE III

Directors

Section 3.1 Powers. Subject to the limitations of law, the Articles of Incorporation and these Bylaws, the powers of this Corporation shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board.

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Section 3.2 Number and Qualification of Directors. The authorized number of Directors of the Corporation (each, a "Director") shall be three (3), each of whom shall hold the position of Director *ex officio* the position of City Attorney, the Chief Financial Officer of the City and the City Manager of the City, until further action by the Member, upon which, any other three (3) persons or persons holding such other positions with the City as may be appointed by the Member. Pursuant to Article XV of the City Charter, establishing the City's "Mayor-Council" form of governance ("Article XV"), all references herein to "City Manager" shall be deemed to refer to the "Mayor" for so long as Article XV, by its terms, provides for the Mayor to be responsible for the day-to-day management of the City's affairs.

Section 3.3 Election and Term of Office. Inasmuch as the Directors hold such position *ex-officio* by virtue of their respective designation as appointed or elected officials of the City, the Directors shall serve for a term concurrent with their respective term of office as City officials and, upon the election or appointment of a new City Attorney, Chief Financial Officer or City Manager/Mayor, the position of Director shall thereupon be filled by the new individual assuming such office.

Section 3.4 Vacancies. Vacancies in the Board of Directors may be filled by the Member.

Section 3.5 Resignation and Removal. Any Director may resign at any time by giving written notice to the President or to the Board. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary in order to make it effective.

Section 3.6 Voting. Voting at meetings may be by voice or by ballot.

Section 3.7 Compensation and Reimbursement. Directors shall serve without compensation. Each Director may be reimbursed for necessary and actual expenses, including travel incident to such person's services as Director.

## ARTICLE IV

### Meetings of the Board of Directors

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Section 4.2 Special Meetings, Notice. Special meetings of the Board shall be held whenever called by the President or by any two Directors or by a sole remaining

Director, and upon 24 hours' notice delivered personally or by any other means and shall comply with any further restrictions contained in the Brown Act.

Section 4.3 Participation. Directors may participate in a meeting through use of conference video, telephone or similar communications equipment, provided that all participants can hear one another and that such arrangements otherwise comply with the Brown Act.

Section 4.4 Quorum. A quorum shall consist of a majority of the members of the Board, attending in person or via electronic communications as provided above. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of any Directors, if any action taken is approved by a majority of the remaining Directors.

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## ARTICLE V

### Liability, Indemnification and Insurance

Section 5.1 Non-Liability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 5.2 Indemnification by Corporation and by City. Pursuant to Section 5238 of the California Corporation Code, the Corporation shall provide indemnity to any person who is or was a Director, officer, employee or agent of the Corporation under the circumstances and to the full extent permitted by law, including without limitation an action brought under Section 5233 of the California Corporations Code. The City has determined, and by its approval of these Bylaws has so declared, that the scope of employment of each position within the City identified in Sections 3.2 and 6.1 herein encompasses the role and duties of Director hereunder and that, therefore, pursuant to California Government Code 990, the City shall insure and indemnify each Director against any or all liability arising from his or her actions taken as a Director of the Corporation in accordance with the Articles and these Bylaws.

## ARTICLE VI

### Officers

Section 6.1 Officers. The officers of the Corporation shall be a President, a Vice President, Secretary/Treasurer and such other officers as the Board may appoint. When the duties do not conflict, one person may hold more than one of these offices, except

that the Secretary/Treasurer may not serve concurrently as the President of the Board. The President, Vice President and Secretary/Treasurer shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

Section 6.2 ^Selection of Officers. The officers of the Corporation shall be chosen annually by the Board ^and each shall hold office until ^such officer shall resign or shall be removed or otherwise disqualified to serve^ or ^a successor shall be ^selected.

Section 6.3 ^Removal ^of Officers. Any officer may be removed, either with or without cause, by a ^majority of the Directors ^then in office^ at any meeting of the Board, or, except in the case of an officer chosen by the Board<sup>^</sup>, by ^any officers upon whom such power of removal may be conferred by the Board<sup>^</sup>. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been selected.

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Section 6.4 ^President. The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board<sup>^</sup>, have general supervision, direction and control of the business and officers of the Corporation. ^The President shall preside at all meetings of the Board ^and the President shall have the general powers and duties of management usually vested in the office of ^chief executive officer of a corporation.

Section 6.5 ^Vice President. In the absence or disability of the President, the Vice ^President shall perform all ^the duties of the President^ and when so acting shall have all ^the powers of and be subject to all of the restrictions upon the President. The Vice President^ shall have such other powers and perform such other duties as from time to time may be prescribed ^by the Board of Directors and the Bylaws.

Section 6.6 ^Secretary/Treasurer. ^The Secretary/Treasurer shall keep^ or cause to be kept^ a book of minutes at the principal office or at such other place as the Board ^may order, of all meetings of the Directors^, with the time and place of holding, whether regular or special, and if special, how authorized^ and the notice ^thereof given, the names of those present at ^meetings, and the proceedings thereof. The Secretary/Treasurer shall give or cause to be given notice of all special meetings of the Board and shall keep the corporate records in safe custody. The City Attorney may provide assistance to the Secretary/Treasurer by taking minutes at Corporation meetings and various other administrative duties.

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The Secretary/Treasurer shall be the chief financial officer and shall keep and maintain adequate and correct books of account showing the receipts and disbursements of the Corporation, and an account of its cash and other assets, if any. Such books of account shall at all reasonable times be open to inspection by any Director. The Secretary/Treasurer shall deposit <sup>^</sup>all moneys of the Corporation, <sup>^</sup>if any, with such depositories as <sup>^</sup>are designated by the Board of Directors<sup>^</sup>, and shall disburse the <sup>^</sup>funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President <sup>^</sup>of the Board of Directors, upon request, statements of the financial condition of the Corporation<sup>^</sup>. The Secretary/Treasurer shall have such other powers and perform such other duties as from time to time may be prescribed for the Secretary/Treasurer by the Board of Directors <sup>^</sup>or by the Bylaws.

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It is not contemplated by the City or the Corporation that the Corporation shall ever have any income or profits, nor shall it have custody of money, other personal property or any real property, except that it may have an interest under a lease/purchase agreement or an installment purchase or sale agreement in certain property, taken for the purpose of assisting the City in the financing of capital improvements.

Section 6.7 Subordinate Officers. The Board may elect or authorize the appointment of such officers other than those hereinabove mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors from time to time may authorize or determine.

ARTICLE VII

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General Provisions

Section 7.1 Objects and Purposes. The business of this Corporation is to be operated and conducted in the promotion of its objectives and purposes as set forth in its Articles of Incorporation.

Section 7.2 ^Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness<sup>^</sup> issued in the name of<sup>^</sup> or payable to<sup>^</sup> the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as<sup>^</sup> from time to time<sup>^</sup> shall be determined by the Board.

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Section 7.3 Execution of Contracts. The Board, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to tender it liable for any purpose or in any amount.

Section 7.4 ^Fiscal Year. The fiscal year of th<sup>^</sup>e Corporation shall commence on the first day of July ^of each year and shall end on ^the last day of June of the succeeding year.

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ARTICLE VIII

Amendment to Bylaws

^These Bylaws may be adopted<sup>^</sup>, amended or repealed by action taken by the Member, or by the Board of Directors with the express consent of the Member.

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This is to certify that the foregoing is a true and correct copy of the Bylaws of the Corporation named in the title of these Bylaws and that such Bylaws were duly adopted by the Board of Directors of such Corporation on \_\_\_\_\_, 2008.

\_\_\_\_\_  
Secretary/Treasurer

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