

BY-LAWS OF THE NORTH PARK ORGANIZATION OF BUSINESSES, INC.

ARTICLE I

Title and Purposes

**Section 1. Name of Corporation**

The name of this corporation shall be North Park Organization of Businesses, Inc., d.b.a. North Park Main Street and shall be referred to herein as "The Corporation".

**Section 2 Corporate Status**

The Corporation has been formed pursuant to the California Nonprofit Public Benefit Corporation Law as filed with the Secretary of State of the State of California on May 26, 1996, for public and charitable purposes and holds the designation of a tax-exempt corporation under the United States Internal Revenue Code 501(c)6.

**Section 3. Purposes.**

The specific purpose of The Corporation is to provide a united voice for our member businesses and give each business owner the ability to flourish.

The Corporation is further formed to:

- a. To continue economic activation and growth of North Park and its surrounds.
- b. To bring about the increased economic well-being of residents, employees, and businesses within North Park and its surrounds.
- c. To promote business improvement within North Park and community through activities which contribute to the economic and neighborhood well-being.
- d. To bring about the investment of private and public capital within North Park and its surrounds for public benefit and charitable purposes.
- e. To bring about the increased provision of quality public improvements and educational, cultural, artistic, charitable, and social services within North Park and its surrounds for public benefit and charitable purposes.

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

## ARTICLE II

### Offices

#### **Section 1. Principal Offices.**

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

#### **Section 2. Change of Address.**

The county of The Corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the county named and such changes of address shall not be deemed an amendment of these Bylaws.

## ARTICLE III

### Members In General

#### **Section 1. The Corporation Shall Have No Members.**

This Corporation shall have no members, as that term is defined in section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Public Benefit Corporation Law, any action which would otherwise require approval by a majority of all members shall require only approval of the board of directors. All rights which would otherwise vest in the members shall vest in the board of directors. Nothing in these bylaws shall be construed as limiting the right of The Corporation to refer to persons associated with it, who participate in any activities of The Corporation, as "members" even though such persons are not members, as defined in section 5056 of the California Corporations Code. Such persons shall be deemed to be associated persons with respect to The Corporation as that term is defined in section 5332 of the California Nonprofit Public Benefit Corporation Law, and no such reference shall constitute anyone a member of this Corporation.

"Delegates" are not members, nor are they vested in any rights other than provided by majority action of the directors. The Board of Directors shall elect new directors and anything in these bylaws which gives the appearance of incidence of membership is merely an accommodation to promote community participation.

## **Section 2. Assessed Delegates, Non-Assessed Delegates and Associate Supporters.**

The broadest participation of business and resident community is desired by The Corporation in effecting its objectives and purposes. To further this objective desire, the bylaws establish these rules that follow:

- A. Holders of a valid and fully paid City of San Diego Business Tax Certificate or businesses providing actual services within the North Park Business Improvement District shall be eligible to appoint a representative for the Board of Directors elections as an **Assessed Business Delegate**. In absence of a written appointment of a different individual, the name appearing on valid North Park Business Tax Certificate shall be the Assessed Business Delegate. Only one (1) person per business can be the delegate.
- B. Holders of a valid and fully paid County of San Diego Property Tax Certificate for the North Park Maintenance Assessment District (MAD) shall be eligible to appoint a representative for the Board of Directors elections as an **Assessed Property Delegate**. In absence of a written appointment of a different individual, the name appearing on valid Property Tax Certificate shall be the **Assessed Property Delegate**. Only one (1) person per assessed property can be the delegate.
- C. For-profit and nonprofit businesses and organizations located in the North Park Business Improvement District, which are exempt from the payment of City of San Diego Business Tax Certificate, shall be eligible to appoint a representative for the Board of Director's elections as a **Non-Assessed Business Delegate**. Eligibility shall be conditional on payment of an amount equivalent to those paid by similar assessed businesses. Only one (1) person per non-assessed business can be the delegate. The directors may establish additional written rules and policies concerning the acceptance of Non-Assessed Business Delegates. Governmental agencies shall not be eligible for non-assessed business status.
- D. The directors shall annually recognize the **Assessed Delegates and Non-Assessed Business Delegates**. The directors shall request from the City of San Diego a list of holders of a valid and fully paid City of San Diego Business Tax Certificate for North Park Business Improvement District and a list of holders of valid Property Tax Certificate as of the last day of February of each year.
  1. **Delegates of Assessed Businesses** listed as holders of a valid and fully paid San Diego Business Tax Certificate on the last day of February for North Park Business Improvement District shall be eligible to participate in the current year Board of Directors election.
  2. **Delegates of Assessed Properties** listed on the North Park MAD Assessment Roll for the current Fiscal Year shall be eligible to participate in the current year Board of Directors election.
  3. **Delegates of Non-Assessed Business** whose term is valid as of the last day of February shall be eligible to participate in the current year Board of Directors election.

4. Persons, associations, governmental agencies, and corporations who desire to support The Corporation's objectives and purposes may be eligible for **Associate Supporter** status under written rules and policies established by the directors. Associate Supporters shall not be eligible to appoint a delegate for the purpose of the Board of Directors elections. The directors may establish additional written rules and policies concerning the organizational role of Associate Supporters. The directors' acceptance of an Associate Supporter requires an affirmative vote of the directors.
- E. The directors may, at any time during the remainder of the fiscal year, reappoint delegates to conduct meetings of the delegates, support activities of The Corporation, address concerns of North Park businesses, or for any other purpose. Should delegate reappointment be required, then the directors will follow a reasonably similar process to verify Assessed and Non-Assessed Businesses eligibility status and their representatives appointment.

## ARTICLE IV Meetings

### **Section 1. Place of Meetings**

Meetings shall be held at the principal office of The Corporation unless otherwise provided by the Board of Directors. Notice of all meetings shall also be posted at least seventy-two (72) hours prior to the meeting in a publicly accessible location in accordance with the requirements of the Ralph M. Brown Act. Notice of all meetings shall specify the place, day and hour of the meeting, and the business to be discussed.

### **Section 2. Public Meetings.**

All meetings shall be public except those devoted to litigation or personnel. All meetings shall be properly noticed in accordance with the requirements of the Ralph M. Brown Act.

### **Section 3. Quorum for Meetings**

A quorum shall consist of a majority of the Board of Directors. No business shall be considered by the board at any meeting at which a quorum is not present. The only motion which the Chair shall entertain at such meeting is a motion to adjourn.

### **Section 4. Regular Meetings**

Regular meetings of directors shall be held on the Second Thursday of each month at a time set by the Board of Directors, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day.

**Section 5. Annual Meetings.**

Annual meetings of The Corporation shall be held on the Second Thursday of May of each year at San Diego, California, as may be designated by the Board in a notice of such meeting given at least sixty (60) days prior to such meeting.

**Section 6. Special Meetings.**

Special meetings of the Board of Directors may be called by the President, the Vice President, the Secretary, or by any two directors. Such meetings shall be held at the principal office of The Corporation unless otherwise specified by the persons calling the meeting and properly noticed upon seventy-two hours and in accordance with the requirements of the Ralph M. Brown Act.

ARTICLE V

Board of Directors

**Section 1. Government.**

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

**Section 2. Eligibility.**

Any current delegate as described in ARTICLE III; Section 2 of these By-Laws is eligible to serve as a Director.

**Section 3. Compensation.**

Directors will serve without compensation.

**Section 4. Number of Directors.**

The Board of Directors shall consist of a minimum of nine (9) Directors and a maximum of (17) Directors, until this number is changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw. Responsibilities of each board member will include, but not limited to:

- A. Attendance at all board meetings.
- B. Participation in at least one Committee.
- C. Any additional requirements by the City of San Diego in accordance with any contracts as the Nonprofit Manager of North Park Business Improvement District or the North Park MAD for the duration of such contracts.

- D. If upon the third consecutive unexcused absence of a board member at regular meetings, the remaining board members may choose to remove the absent board member by affirmative vote of at least 2/3 of all the remaining board members.

#### **Section 5. Election and Term of Office.**

Directors shall be elected for two-year terms. At each election a minimum of one director must be elected from each zone. Zone representation may be waived by vote of the directors if there are no nominees available from a zone. The term "zone" shall mean the geographic sub- areas within North Park Business Improvement District.

Directors shall be elected by written ballot at the Annual Meeting of The Corporation and shall hold office for the succeeding two years. A term of office shall run from the month following the Annual Meeting and for two years thereafter.

#### **Section 6. Quorum & Adjournment**

A majority of the Directors in office any time shall constitute a quorum for the transaction of business. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

#### **Section 7. Vacancies**

Any vacancy or vacancies in the Board of Directors for any reason shall be filled by the remaining Board then in office. The term of the new member will expire when the term of the vacated member was to have expired. The election to fill a vacancy must be held no later than the third meeting following the determination of a vacancy.

#### **Section 8. Powers**

Subject to the provisions of the California Nonprofit Public Benefit Corporation law, and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

The Board of Directors shall have the following powers:

- A. To conduct, manage and control the affairs and business of The Corporation, and to make such rules and regulations not inconsistent with law, with the Articles of Incorporation or these Bylaws, as they may deem best,

- B. To select, supervise and remove all the other officers, agents, employees of The Corporation, prescribe such powers and duties for them as may not be inconsistent with any applicable laws, Articles of Incorporation or these Bylaws,
- C. To supervise all officers, agents and employees of The Corporation to assure that their duties are performed properly;
- D. To change the principal office for the transaction of the business of The Corporation from one location to another within the same city,
- E. To adopt, make and use a corporate seal and to alter the form thereof from time to time as in their judgment they may deem best, provided such seal always comply with the provisions of law,
- F. To borrow money and incur indebtedness for the purpose of, The Corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities,
- G. To appoint other Committees as the Board of Directors may deem necessary and proper, consisting of such persons, and having such power and authority, as shall be specified by the Board of Directors,
- H. To perform all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws.

#### **Section 9. Operating Procedures**

The conduct not specifically stated herein, of the Board, the Officers and the delegates shall be prescribed by the Statement of Operating Procedures adopted by the Board from time to time. The Board of Directors shall have power to make such reasonable rules and regulations not inconsistent with any applicable laws, Articles of Incorporation or these Bylaws as it deems necessary for the conduct of its business.

#### **Section 10. Vote of Directors**

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

#### **Section 11. Non-Liability of Directors**

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

**Section 12. Indemnification by Corporation of Directors, Officers, Employees and Other Agents**

To the extent that a person who is, or was, a director, officer, employee or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of The Corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

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

**Section 13. Insurance for Corporate Agents**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of The Corporation (including a director, officer, employee or other agent of The Corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not The Corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit corporation Law.

ARTICLE VI

Election of Directors

**Section 1. Election Method**

- A. The election method shall be conducted by written or online ballot by any eligible delegates and voted upon by the Board of Directors at the Annual Meeting.
- B. If necessary, the Board of Directors may move the dates of their Regular Meetings or the Annual Meeting, then the dates and time frames of the election process shall be modified to the maximize the participation of the delegates in the election process, as determined by the Board of Directors. The modified process should, to the extent practicable, follow the outline presented below in *SECTION 2. ELECTION PROCESS*.

## **Section 2. Election Process**

The President shall appoint an **Election Committee** to request qualified nominations of eligible delegates for election to the Board of Directors at the February Board of Directors meeting or at least 60 days before the date of any election of directors. The Election Committee shall consist of at least three members including the immediate past President, if still qualified and available, the current President and one or more other(s) selected by the President. The **Election Committee** shall make its request for nominations to all eligible delegates by mail, social media, email and newsletter no later than 2 days following the February Board of Director's Meeting.

- A. The **Election Committee** request for nominations shall also include a notice of the Annual Meeting and information about the method of nomination and the election process including dates. A notice of these materials should also be published in The Corporation's newsletter, emails, social media and mailed by first class postage. The notice should, additionally indicate that the Board of Directors will review, at the March Board Meeting, the eligibility of all delegates to vote during the election and participate in the Annual Meeting. The Board of Directors will make the list of eligible delegates open for review by anyone upon request.
- B. Any eligible delegate can nominate themselves or another eligible delegate during the Nominations process of the elections. On timely receipt of all nominations, the **Election Committee** will confirm the eligibility of those making the nominations and those nominated. All eligible nominees will be placed on the draft ballot as candidates for the Board of Directors' review and approval of the final ballot during the March Board of Director Meeting.
- C. At the March Board of Directors' Meeting, the directors will consider and approve the draft ballot as submitted by the **Election Committee**. Additional nominations may be made by directors, from the floor provided that the nominee so named is a delegate in good standing and has, if absent, submitted in writing a statement indicating their interest in serving, or is present. The directors will review and consider eligibility and other candidate qualifications, as they deem necessary. Immediately following this this review, the Board of Directors will approval of the final ballot.
- D. The **Election Committee** shall mail written ballots to all eligible delegates for consideration. Ballots and notice of election will also be provided online and available by social media, email and newsletter no later than 2 days following the March Board of Director's Meeting. The ballot shall also include a notice of the Annual Meeting and information about the election process including dates. For a ballot to be counted, it must be properly authenticated and received in a timely manner. Online voting may also be available with authentication of delegate eligibility and received in a timely manner.

- E. Candidates for directors receiving the highest number of votes from eligible delegates shall be selected for director election. Write in candidates are not permitted. If a business casts more than one vote for any one Candidate or casts more votes than there are seats available; then the ballot will be invalid and not counted. Ties will be resolved by the Board of Directors at the Annual Meeting.
- F. The director's action during the Annual Meeting confirming the election results shall be final.

ARTICLE VII  
Officers

**Section 1. Officers**

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

**Section 2. Subordinate Officers**

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

**Section 3. Eligibility**

Any Director of the Corporation is eligible to be an Officer of The Corporation. Officers shall be elected by the Board of Directors and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

**Section 4. Election**

The current Board of Directors shall elect all officers of The Corporation at the first meeting following the Annual Meeting. The Officers will hold their elected office for a term of one year beginning immediately following the election until the next year annual meeting or until other successors are elected and qualified.

**Section 5. Removal & Resignation**

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of The Corporation. The acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies**

Any officer vacancy for any reason shall be filled by the Board of Directors. The term of the new officer will expire when the term of the vacated officer was to have expired. The election to fill a vacancy must be held no later than the third meeting following the determination of a vacancy.

**Section 7. President**

Subject to the control of the Board of Directors, the President shall have general supervision, direction and control of the business and affairs of The Corporation. The President shall preside at all meetings of the Board of Directors and Delegates; and shall have other powers and duties as may be prescribed from time to time by the Board of Directors.

**Section 8. Vice President**

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

**Section 9. Secretary**

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

**Section 10. Treasurer**

The Treasurer shall be responsible for general supervision of the financial affairs of The Corporation, and to make regular financial reports to the Board of Directors and to any other persons upon request.

ARTICLE VIII  
Miscellaneous

**Section 1. Control of Funds.**

Funds of The Corporation shall be paid out only on the checks, electronic or bank drafts of The Corporation. Transactional amounts below the threshold of \$5,000 would be executed by the Executive Director. Anything over \$5,000 would require a two-person execution with the Executive Director and a member of the Executive Committee (or designated representative) as executing agents. Any purchases greater than \$40,000 would need Board approval with two-person execution.

**Section 2. No Personal, Proprietary or Beneficial Interest in the Property of The Corporation.**

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

**Section 3. Payments to Officers or Directors.**

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

**Section 4. Indemnification.**

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

ARTICLE IX  
Amendments

**Section 1. Amendments**

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