

**BY-LAWS OF THE HISTORIC CORE BUSINESS IMPROVEMENT DISTRICT
PROPERTY OWNERS ASSOCIATION, INC.
a Non-Profit Mutual Benefit Corporation**

**ARTICLE I
Name**

The name of this organization shall be the Historic Core Business Improvement District Property Owners Association, a 501(c)(6) non-profit corporation organized and existing under the laws of the State of California. This organization shall be referred to as the Association.

Principal, Office/Change of Address

Principal Office: The principal administrative office for the transaction of the business of the Association is fixed and located at 209-211 West 5th Street, Los Angeles, CA 90013. The Board of Directors (“board”) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the secretary on these By-laws opposite this Section, or this Section may be amended to state the new location.

Other Offices: Branch or subordinate offices may be at any time be established by the board at any place or places where the corporation is qualified to do business.

**ARTICLE II
Nonprofit Purposes
IRC Section 501(c)(6) Purposes**

This Association is organized exclusively for one or more of the purposes as specified in Section 501(c)(6) or the Internal Revenue Code.

**ARTICLE III
Purposes**

General Purposes: The general purpose of this Association is to enhance the economy within the Historic Core of the City of Los Angeles through the enhancement, revitalization and promotion of the area known as the Historic Core District, namely the portions of South Spring Street and South Main Street between Fourth and Ninth Streets and which is on the National Register Historic Districts, and such other buildings as may be in the Historic Core, through funding derived mainly from the Business Improvement District’s assessment revenue, as referenced in Article IV of these By-

laws, and used for the district's clean and safe programs, marketing, and education of the public regarding the history of the area.

Specified Purposes: Within the context of the general purposes stated above, the Association shall attempt to provide relief from poverty and combat community deterioration within the Historic Core District. It shall also seek to lessen the burdens of government within the Historic Core District. The Association may also operate to eliminate prejudice and lessen the neighborhood tensions and crime. The Association may apply for private, federal or state governmental sources of funding and use such sources in furtherance of its purpose (e.g. grants of money). The Association shall attempt to develop a cooperative working relationship with federal or state governmental agencies with authority over persons residing in or businesses located in the Historic Core District. The express policy of this Association shall be to not recoup more than its costs of operation from persons availing itself of any services or property of the Association, or, if there is such as excess, to use it to further the charitable and public purposes of the Association.

Limitations: This Association is a non-profit MUTUAL BENEFIT CORPORATION and is not organized for the private gain of any person. It is organized under the Non-Profit Mutual Benefit Corporation Law.

ARTICLE IV Membership

Regular Membership: Any person or business entity owning a parcel or parcels within the boundaries of the Historic Core Business Improvement District and which is assessed under the provisions of The City of Los Angeles Ordinance No. 172156, Adopted, August 5, 1998, shall be a Regular Member of the Association. Subject to board approval, any person or business entity occupying a parcel assessed as so described may be a member of the Association.

Dues for Regular Members shall be the amount of their annual assessment provided for under the City of Los Angeles Ordinance No. 172156, Adopted, August 5, 1998. The board may assess dues for any non-Regular Member of the Association.

Each member of the Association shall be entitled to one vote on any matter put to a vote of the general membership. Such vote may be made by written proxy through another member present for the vote, and no member may hold more than one proxy for a given membership vote.

Unless otherwise required by law, the Association shall provide for the means by which each member may, in order to reduce administrative costs, receive all notices from the Association, including as to elections to the board, by email.

ARTICLE V Government

Board of Directors: The government of the Association shall be vested in a board of 9-13 directors.

Powers: Subject to the limitations of the Articles of Incorporation, By-laws, and the Nonprofit Mutual Benefit Corporation Law of the State of California, and subject to the duties of directors as prescribed by the By-laws, all Association powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the board of directors. Without limiting the foregoing, the board shall have the power to conduct and manage the affairs and business of the Association, to select and remove all officers, agents, employees, and contractors, and to fix reasonable compensation therefor, to authorize and empower officers or agents to enter into contracts and other commitments on behalf of the Association, and to appoint and delegate responsibilities and authority to committees, officers, and agents.

ARTICLE VI Directors

Term of Office: Directors shall serve a term of (2) two years and may be re-elected an unlimited number of times.

Ex-officio Member: The Executive Director shall be an ex-officio member of the board and shall not be entitled to vote on any matter brought before the board. The Executive Director shall not count towards the prescribed number of directors.

Election of Directors: Any member of the Association in good standing, or duly authorized agent of such a business entity member, is eligible to be a director, except that the total number of non-Regular Member directors shall not be sufficient to create a quorum if gathered alone. The election of directors shall be conducted as follows:

- A. The President shall, at or before the regular meeting of the board immediately prior to the annual membership meeting in the next election year (commencing with 2019), announce the appointment of a Nomination Committee consisting of at least three (3) members of the Association. The President may be a member of the Nominating Committee.
- B. The Nominating Committee shall submit, at least 10 days prior to the annual membership meeting in each election year, a recommendation as to the number of board seats to be filled for the following two-year

term, and a nominee for each such seat on the board, each of whom shall have pledged to serve if elected.

- C. Candidates for directors also may be nominated by a petition bearing the genuine signatures of at least 2% of the members of the Association. Such petitions must be delivered to the Association's office before the end of the fifth business day that precedes the annual membership meeting.
- D. Upon motion duly made and seconded by the board, the entire slate of director candidates recommended by the Nominating Committee may be voted on in its entirety by the members. Otherwise, votes of members shall be counted as follows: one vote per member eligible to vote and per board seat determined by the board to be filled at the annual membership meeting. Votes other than for the entire Nominating Committee slate shall be made in writing and in secret as to the voter.
- E. Unless the entire Nominating Committee slate is approved as a whole, the nominees receiving the highest number of individual votes for such board seats as the board shall have determined to be filled shall be elected.
- F. The term of each new director shall commence at the annual membership meeting as soon as the membership vote is concluded.

Resignation: Any director may resign effective upon giving written notice to the President, the Secretary, or the board, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the Association would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state or as otherwise permitted by law.

Removal: A director may be removed from office with or without cause by a 2/3 vote of the directors. A director shall be removed from the board upon failing (including by way of an alternate) to attend four regular meetings (including the annual membership meeting) of the board within a twelve month period.

Alternates: Subject to approval of the board, a director may appoint one alternate to attend meetings and to vote on matters before the Association in his or her stead. Such appointment must be made in writing and must give the alternate unconditional authority to act on the director's behalf in the director's absence. No director may appoint more than one alternate at any one time, or more than two in any twelve month period

Vacancies: A vacancy on the board shall occur (1) on the death, resignation or removal of any director, or (2) whenever the maximum number of authorized directors is not achieved or is increased. Unless otherwise prohibited by the Articles of Incorporation, these By-laws, or provisions of law, vacancies on the board may be filled by approval of the Board of Directors. A person selected to fill a vacancy on the board shall hold office until the next election or until his or her death, resignation or removal from office.

Compensation: Directors shall serve without compensation. Directors shall be allowed reasonable advancement or reimbursement of expenses incurred, if pre-approved or ratified by the board, and if incurred in the performance of the director's duties.

Majority Action as Board Action: Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, unless the Articles of Incorporation, these By-laws, or provisions of law require a greater percentage of different voting rules for approval of a matter by the board.

The board shall work to reach consensus on the resolution of all issues. If there is not a consensus on a controversial issue, board members are encouraged to take no action and take no position on such issue.

Non-Liability of Directors: To the fullest extent permissible under law, the directors shall not be personally liable for the debts, liabilities, or other obligations of the Association for any all actions taken in reasonable relation to service to the Association and with an absence of willful malice.

Indemnification by Corporation of Directors and Officers: The directors and officers of the Association shall be indemnified, defended, and held harmless by the Association to the fullest extent permissible under the law.

ARTICLE VII

Officers

Officers of the board shall be recommended by the Nominating Committee and then chosen by each newly-installed board at the annual meeting of members as the first order of business following the director election, by such process as such new board shall adopt at that time. Officer terms are two years and officers may serve an unlimited number of terms.

President: The President shall preside at all meetings of the Association, the board, and the Executive Committee. He/she shall be an ex-officio member of all other committees. The President shall appoint all committee chairs unless otherwise provided for. S/he shall perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation, or by these By-laws, or which may be assigned to him or her from time to time by the board.

Vice President: The Vice President, in the absence of the President, shall act in his/her place. S/he shall perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation, or by these By-laws, or which may be assigned to him or her from time to time by the board.

Secretary: The Secretary shall maintain or cause to be maintained the books and records of the Association. S/he shall perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation, or by these By-laws, or which may be assigned to him or her from time to time by the board.

Treasurer: The Treasurer shall have charge and be responsible for all funds and securities of the Association, and deposit all such funds in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the board. S/he shall perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation, or by these By-laws, or which may be assigned to him or her from time to time by the board.

ARTICLE VIII

Annual Meeting and Meetings

Annual Meeting: The annual membership meeting of the Association shall be held during the first quarter of each year at a time and place to be determined by the Board of Directors in accordance with the availability of prior year financial records. Notice of the Annual Meeting date shall be posted on the Association's website at least thirty days before such date.

Special Membership Meetings: Special membership meetings shall be called by the President upon receiving a written request of at least five of the members of the Association. The request shall be delivered in person, or mailed by first class mail, addressed to the President at the principal office of the Association. The meeting shall be held no more than twenty (20) days following reception of the request. The request shall state the specific nature of the business proposed to be transacted at the meeting sufficient for Brown Act public meeting notice disclosure.

Board of Directors Meetings: A regular meeting of the board shall be held approximately every month at a time and date to be decided by the board from time-to-time and subject to Brown Act notice. The President may call a special meeting of the board at any time, and shall do so upon a written request of at least three directors, in both cases subject to Brown Act notice.

Notice of Meetings: Meetings shall be noticed pursuant to the Ralph M. Brown Act, located at California Government Code 54950.

Quorum: The presence in person of a majority of the board entitled to vote at any meeting shall constitute a quorum, and once established, a quorum is not lost by the departure of directors from the meeting. Directors may vote by proxy via his or her alternate or via another director only.

ARTICLE IX Professional Staff

Executive Director: The Executive Director shall be the senior Staff Officer hired by the board, and will serve at the pleasure of the board. He/she shall be directly responsible to the President and, under the President's direction, shall carry out the functions required to implement the program and activities of the Association and manage the day-to-day affairs of the Association. The Executive Director, with the approval of the board, shall employ the additional staff members needed to adequately perform the prescribed duties.

ARTICLE X Committees

The President or the board shall determine the Committees that are deemed necessary to carry out the purpose of the Association. The duties of these Committees shall be those prescribed by the board or the President unless otherwise specified in these By-laws.

Executive Committee of the Board: The Executive Committee of the board shall be composed of the President, The Vice President, the Secretary, the Treasurer, and anyone else appointed by the President. The President shall preside over its meetings.

ARTICLE XI
Execution of Instruments, Deposits and Funds

Execution of Instruments: The board, except as otherwise provided in these By-laws, may by resolution authorize any officer or agent of the Association to enter into any contract of execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Checks and Notes: Except as otherwise specifically determined by resolution of the board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Association shall be signed by any two officers of the Association, which for this purpose includes the Executive Director.

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

Gifts: The board may accept on behalf of the Association any contribution, gift, bequest, or devise for the nonprofit purposes of this Association.

ARTICLE XII
Corporate Records, Reports and Seal

Maintenance of Corporate Records: The Association shall keep at its principal office all records as may be required by law, by the Articles of Incorporation, or by these By-laws, and which the Board of Directors may direct be retained.

ARTICLE XIII
IRC 501(c)(6) Tax Exemption Provisions

Limitations of Activities: Notwithstanding any other provisions of these By-laws, this Association shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(6) 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.

Prohibition Against Private Inurement: No part of the net earnings of this Corporation shall inure to the benefit of, or be distributable to, its directors or

trustees, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered, enter into reasonable compensation for services rendered, enter into reasonable consulting contracts and subcontracts and to make payment and distributions in furtherance of the purposes of this Association.

Distribution of Assets: Upon the dissolution of this Association, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed in accordance with all applicable provisions of the law.

ARTICLE XIV Amendment of By-laws

Amendments: Except as may otherwise be specified under provisions of law, these By-laws, or any of them, may be altered, amended, or repealed and new By-laws adopted only by approval of the board.

ARTICLE XV Construction and Terms

If there is any conflict between the provisions of these By-laws and the Articles of Incorporation of this Association, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these By-laws be held unenforceable or invalid for any reason, the remaining provisions and portions of these By-laws shall be unaffected by such holding.

All references in these By-laws to the Articles of Incorporation shall be to the Articles of Incorporation, or other founding document of this Association filed with an office of this state and used to establish the legal existence of this Association.

All references in these By-laws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Certificate of the Secretary

I, hereby certify:

That I am the duly elected and acting Secretary of the Historic Core Business Improvement District Property Owners Association, Inc., a California non-profit corporation; and that the foregoing By-laws consisting of 10 pages, including this one, constitute the By-laws of said Association, as duly amended by the Board of Directors at a meeting held on December 19, 2018, at Los Angeles, California.

IN WITNESS THEREOF, I have hereunto set my hand this day of December 22, 2018.

Secretary,



RUBEN ISLAS