

Amended and Restated

BYLAWS

SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT,

a California Nonprofit Mutual Benefit Corporation

Amended and restated as of _____, 2021

Article I

Name

The name of this corporation is San Rafael Business Improvement District, and shall be referred to in these Bylaws as the "corporation."

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Article II

Principal Office/Purposes

2.1 Principal Office. The principal office for the transaction of the business of the corporation shall be located at 817 Mission Avenue, San Rafael, California 94901. The Board of Directors ("Board") may change the location of the principal office from time to time at their discretion.

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2.2 Purposes.

(a) General Purpose. The purpose of the corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under the California Nonprofit Mutual Benefit Corporation Law.

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(b) Specific Purposes.

(i) To sponsor long and short range activities and sales events that stimulate business and attract people to the business district served by the corporation ("District"), which is located within the Boundaries (as defined in Section 3.1 of these Bylaws), with the goal of establishing the fact that the District provides the highest facilities, selection, quality, service and fashion.

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(ii) To make a concerted effort to decorate public places, promote public events, furnish public music, promote easy parking, and generally promote trade and professional activities in the District.

(iii) To promote special entertainment, education and/or cultural events which will act as incentives for the public to visit the District businesses, while making the public aware of the District's vital and useful contribution to the life of the community as a whole.

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(iv) To further the cause of urban redevelopment, modernization, beautification, and expansion of Downtown San Rafael's facilities and lend the corporation's full support to such projects, whether government sponsored or privately financed.

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(v) To promote the District as the most desirable location for cultural facilities, business firms, and professional offices, and to aid its development by taking specific steps to invite and encourage such firms and individuals to locate in the District.

(vi) To endeavor to maintain a high standard of decor and service among District businesses.

(vii). To carry out the purposes for which a license tax is levied by the City of San Rafael under the provisions of Section 36000 et seq. of the Streets and Highways Code of the State of California, including:

- (1) Acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more;
- (2) Promotion of public events which benefit businesses in the area and which take place on or in public places within the area;
- (3) Furnishing of music in any public place in the area;
- (4) Promotion of tourism within the area, and
- (5) Conducting activities which benefit businesses located and operating in the area.

Article III

Boundaries and Membership

3.1 District Boundaries. The geographical boundaries of the District are as specifically set forth in City of San Rafael Municipal Code Chapter 10.09, entitled "Downtown San Rafael Business Improvement District," and specifically, section 10.09.04 of that chapter, as such boundaries are defined as of the date of the adoption of this section 3.1 of these Bylaws, or as such boundaries may hereafter be expanded, contracted, or otherwise amended by action of the City of San Rafael.

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-3.1 Boundaries. The geographical boundaries of the BID ("Boundaries") are as specifically set forth in San Rafael City Ordinance #1435 adopted on July 19, 1982. The Board may seek to extend the boundaries of the BID as provided by California Streets and Highways Code §36500, et. seq. The Board of Directors shall comply with all of the procedures of California Streets and Highways Code §36500, et. seq.
-3.2 Mandatory Membership. Businesses, other than financial institutions, service business and professionals within the Boundaries shall be mandatory members of the BID (Mandatory Members') and shall pay to the BID an annual amount not to exceed 50% of the business license fee charged by the City of San Rafael as set forth in the current City of San Rafael Business License Fee Schedule as amended. The Board of Directors ("Board") shall attempt to cause the mandatory membership fee to be assessed with and billed in the same document as business license fees assessed and collected by the City of San Rafael.
-3.3 Voluntary Membership. Any business or property owners, whether located within or outside the Boundaries, may become members of the BID ("Voluntary Members") through voluntary payment of annual fees as determined by the Board.

3.2 Membership. This corporation shall have one class of voting members, designated in these Bylaws as a "Member" in the singular and as "Members" in the plural. Each business current in the payment of any annual benefit assessment due the City of San Rafael under City of San Rafael Municipal Code Chapter 10.09 and any adopted ordinance or resolution related thereto shall be a Member in good standing of this corporation: provided, however, any business located outside the geographical boundaries of the District that may elect to voluntarily pay an assessment shall not be a Member of this corporation.

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3.3 Nonvoting Members. The corporation's board of directors may, in its discretion, admit a business or an individual to one or more classes of nonvoting members. The nonvoting class or classes shall have such rights and obligations as the board finds appropriate.

3.4 Appointment of Individual Representatives. Each Member business may appoint an individual who shall be its authorized representative ("Member Representative"). The Member Representative shall have the sole authority to vote on the Member's behalf and to take any other action required or permitted to be taken by such Member pursuant to these Bylaws. The Member shall notify the President, in writing, of the identity of its Member Representative. The Member may change its designated Member Representative at any time, provided that prior written notice is given to the President of such change.

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3.5 Voting Rights. Each Member shall be entitled to one vote, which voting right shall be exercised by its Member Representative. The Board shall have the sole authority to resolve any conflicts concerning the individual authorized to exercise the voting privilege of such Member.

Article IV

Meetings of Members

4.1 Place of Meetings. Meetings of the membership shall be held at any place designated by the Board. In the absence of any such designation, Members' meetings shall be held at the principal office of the corporation. The Board may authorize Members who are not present in person to participate by electronic transmission or electronic video communication.

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4.2 Annual Meeting. There shall be an annual meeting of the Members at such time and place as is designated by the Board ("Annual Meeting"). The Annual Meeting shall be held for the purpose of conducting the business activities of the corporation, which may include, but not be limited to, informing the Members about the activities of the corporation, electing the corporation's Directors, and transacting such other business as properly may be brought before the meeting. The notice of any Annual Meeting shall include the names of the individuals who are nominees for Directors at the time the notice is given.

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4.3 Special Meetings.

(a) A special meeting of the Members ("Special Meeting") may be called at any time by the Board, the President, or by a written petition which is signed by five percent (5%) of the Members, submitted to the Secretary, and specifies the general nature of the business proposed to be transacted.

(b) Upon the call of a Special Meeting of Members, the Secretary shall promptly cause notice to be given to the Members. The notice shall state that a meeting will be held and shall state the date for such meeting, which date shall be not less than thirty-five (35) nor more than ninety (90) days following the receipt of the petition. If the notice is not given within twenty (20) days of receipt by the Secretary of the petition for Special Meeting, the persons submitting the petition to the Secretary may give the notice. No business other than the business that was set forth in the notice of the meeting may be transacted at a Special Meeting. Nothing contained in

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this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board.

4.4 Manner of Giving Notice. Notice of any meeting of Members shall be in writing, and shall be given at least 10 but no more than 90 days before the meeting date. If the notice is not given within twenty (20) days of receipt of a petition validly requesting a Special Meeting, the persons requesting the meeting may give the notice. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or actually transmitted by the person giving the notice by electronic means, to the recipient. The notice shall specify the place, date and time of the meeting. For the Annual Meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the Members. For Special Meetings, the notice shall either include an agenda for the meeting or state the general nature of the business to be transacted and, in either case, shall state that no other business may be transacted. 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. Except as otherwise provided in these Bylaws, any proper matter may be presented at the meeting

Notice of Certain Agenda Items. Approval by the Members of any of the following proposals is valid only if either (a) such approval is by unanimous affirmative vote by those entitled to vote, or (b) the notice or written waiver of notice states the general nature of such proposal or proposals:

- (a) Removing a director without cause.
- (b) Filling vacancies on the Board.
- (c) Amending the articles of incorporation.
- (d) Electing to wind up and dissolve the corporation.

(e) Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest.

(f) Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when the corporation is in the process of winding up.

4.6. Quorum. ~~Eight (8)~~ Members shall constitute a quorum for the transaction of business at a meeting of the Members. However, if less than one-third of the Members attend any meeting, the Members may vote only on matters as to which notice was given pursuant to Section 4.4 of these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Members, if any action taken is approved by

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at least a majority of the required quorum for that meeting. Meetings may be conducted by conference call or in writing.

4.7 No Proxies. Members may not authorize another person or persons to act as their proxy for purposes of voting on any matter.

4.8 Adjourned Meeting. When a meeting of the Members is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. No meeting may be adjourned for more than forty-five (45) days. At the adjourned meeting the Members may transact any business which could have been transacted at the original meeting.

4.9 Waiver of Notice or Consent. The transactions of any meeting of Members shall be valid, regardless of the notice given, if (1) a quorum is present, and (2) either before or after the meeting, each Member who is not present at the meeting signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. A Member's attendance at a meeting shall constitute a waiver of notice of such meeting unless the Member objects to the lack of notice before or at the beginning of the meeting,

4.10 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Members may be taken without a meeting, if all Members consent in writing to the action. The action by written consent shall have the same force and effect as a unanimous vote of the Members. All written consents shall be filed with the corporate records.

Article V

Board of Directors

5.1 Powers. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and the limitations in the Articles of Incorporation and these Bylaws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

5.2 Number of Directors. The authorized number of Directors shall be not less than three (3) and not more than twelve (12) until changed by amendment to the Articles of Incorporation or these Bylaws. Within this range, the exact number of Directors shall be determined by a resolution adopted by the Board.

5.3 Election of Directors. Directors shall be elected at each Annual Meeting of the Members, in accordance with the following procedures:

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(a) Nominating Committee. Annually, the President shall appoint a nominating committee ("Nominating Committee") which shall consist of no less than three Members. The Nominating Committee may, but need not be, composed of members of the Board.

(b) Presentation of Candidates. Sixty (60) days before the Annual Meeting date set for elections by the Board, the Nominating Committee shall present to the President a slate of six candidates for election to the Board. Each candidate must be the representative of a Member in good standing and must have agreed to accept the responsibility of directorship.

(c) Publication of Nominations. Upon receipt of the report of the Nominating Committee, the President shall immediately notify all Members by mail or by electronic transmission of the names of the persons nominated and of the right of petition.

(d) Nominations by Petition. Additional Candidates for Director can be nominated by a petition bearing the signatures of twenty (20) Members. Such petition shall be filed with the Nominating Committee within twenty (20) days of the publication of nominations. The determination of the Nominating Committee as to the legality of the petition(s) shall be final.

(e) Declaration of Candidates Where No Petition Filed. If no petition is filed within the designated period, the nominated candidates shall be declared elected by the Board at their next regular Board meeting.

(f) Determination of Candidates Where Petition Filed. If a proper petition shall present additional candidates, the names of all the candidates shall be arranged on a ballot in alphabetical order. Members will be instructed to vote for six candidates and to return their ballots no later than a specific date before the meeting. Ballots shall be mailed or sent electronically to all Members in good standing no later than twenty (20) days before the meeting.

(g) Seating of Board Members. All newly elected Directors shall be seated at the first Board meeting immediately following their election. Directors shall serve for two (2) years and until a successor has been elected and qualified. Directors may serve any number of consecutive terms.

5.4 Term of Office of Directors. Directors, including the initial Directors, shall have a term of office of two years, and may serve more than one consecutive term. Terms shall overlap so that one-half of the members of the Board elected to serve a first two-year term would remain on the Board and serve with the new slate of one-half the required number of Board members.

5.5 Vacancies

(a) 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 the resignation; provided that no Director may resign if the corporation would then be left without a duly elected Director or Directors in charge of its affairs. If the resignation is effective at a future time, a successor may be selected before that time, to take office when the resignation becomes effective.

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(b) A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased. A majority of the Members may vote to remove any Director, in which case the Members shall elect a Director to fill the vacancy created by the removal.

(c) The Board may declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by an order or judgment of any court to have breached any duty arising under Corporations Code §7238, or who has failed to attend three consecutive meetings or a total of five meetings of the Board within a twelvemonth time period.

5.6 Vacancies Filled by Board. Except for a vacancy created by the removal of a director by the Members, vacancies on the Board may be filled by the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code §7211 or (3) a sole remaining Director. A majority of the Members may vote to fill any vacancy not filled by the Directors.

5.7 Meetings. Immediately after the Annual Meeting of Members, the Board shall hold a general meeting for purposes of organization, election of officers and transaction of other business. Notice of this meeting is not required. Other general meetings of the Board may be held without call or notice on dates and at times fixed by the Board; provided that the Board shall hold at least ten general meetings during any calendar year.

5.8 Special Meetings

(a) Special meetings of the Board for any purpose or purposes may be called at any time by the President, Vice President, Secretary, or any two Directors.

(b) Special meetings of the Board shall be held upon ten days' notice by first class mail or 72 hours' notice given personally or by telephone (including a voice messaging system or other system or technology designed to record and communicate messages), facsimile, electronic mail, or other electronic means. Any such notice shall be addressed or delivered to each Director at the Director's address as shown upon the records of the [corporation](#) or as may have been given to the [corporation](#) by the Director for purposes of notice or, if the address is not shown on the [corporation's](#) records or is not readily ascertainable, at the place where the meetings of the Directors are regularly held.

(c) Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

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5.9 Quorum. A majority of the authorized number of Directors constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 5.12 of this Article V. 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 a greater number is required by law or by the Articles, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

5.10 Participation in Meetings by Conference Telephone. Directors may participate in a Board meeting through use of conference telephone, electronic video screen, or other communications equipment. Participation in a Directors' meeting through use of conference telephone constitutes presence in person at that meeting as long as all Members participating in the meeting are able to hear one another. Participation in a meeting through the use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply: (1) each person participating in the meeting can communicate with all of the other participating persons concurrently; (2) each person is provided the means of participating in all matters before the Board including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and (3) the corporation adopts and implements some means of verifying both of the following: (a) a person participating in the meeting is a Director or other person entitled to participate in the Board meeting, and (b) all actions of, or votes by, the Board are taken or cast only by the Directors and not by persons who are not Directors.

5.11 Waiver of Notice of Meetings. Notice of a meeting need not be given to any Director who either before or after the meeting (1) signs a waiver of notice or a consent to holding the meeting without being given notice, (2) signs an approval of the minutes of the meeting, or (3) attends the meeting without protesting the lack of notice before or at the beginning of the meeting. All waivers, consents, and approvals of the minutes shall be filed with the corporate records or made a part of the minutes of the meeting.

5.12 Adjournment of Meeting to Another Time or Place. Whether or not a quorum is present, a majority of the Directors present may adjourn any meeting to another time or place.

5.13 Notice of Adjourned Meeting. Notice of the time and place of resuming a meeting that has been adjourned need not be given to absent Directors if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the adjournment is for more than 24 hours, notice of the time set for resuming the adjourned meeting shall be given to the Directors who were not present at the time of the adjournment. Notice need not be given in any case to Directors who were present at the time of adjournment.

5.14 Action By Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors consent in writing to that action. Any action by written consent shall have the same force and effect as a unanimous vote

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of the Board. All written consents shall be filed with the minutes of the proceedings of the Board.

5.15 Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

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5.16 Committees; Executive Committee. The Board may appoint one or more committees, each consisting of two or more Directors, including an Executive Committee. The Executive Committee shall act for and on behalf of the Board when the Board is not in session but shall be accountable to the Board for its actions. It shall consist of the President, Vice President, Treasurer and Secretary. The Executive Coordinator shall also serve on the Executive Committee, shall attend meetings and take part in discussions, but shall not be entitled to vote. All committees must obtain prior authority of the Board in order to enter into contracts binding on the corporation or to incur or pay expenses.

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5.17 Contracts With Directors. No Director of the corporation nor any other corporation, firm, association, or other entity in which one or more of the corporation's Directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with the corporation, unless (a) the material facts regarding that Director's financial interest in such contract or transaction or regarding such common directorship, officers or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested Directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into. This Section 5.17 does not apply to a transaction that is part of an educational or charitable program of the corporation if it (a) is approved or authorized by the Board in good faith and without unjustified favoritism and (b) results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of the corporation.

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Article VI

Officers

6.1 Designation of Officers. The officers of the corporation shall be a President, Vice President Secretary, and Treasurer, and such other subordinate officers as may be appointed in accordance with Section 6.3. Any number of offices may be held by the same person.

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6.2 Appointment and Term. The officers of the corporation, except for subordinate officers appointed in accordance with Section 6.3, shall be elected by, and shall serve at the pleasure of, the Board, with such compensation as the Board may determine, subject to the rights, if any, of any officer under a contract of employment. Officers shall be elected within

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thirty (30) days following the election of the Board, and shall serve a term of two years. In the event of a vacancy in any office, the Board shall elect a successor to serve the remainder of the term.

6.3 Executive Coordinator; Additional Subordinate Officers. The Board may appoint an Executive Coordinator, who shall be the chief administrator of the corporation, but shall have no vote on the Board. The Board may elect, and may empower the President to appoint, any other subordinate officers as required by the business of the corporation, whose duties shall be as provided in these Bylaws, or as assigned from time to time by the Board or by the President.

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6.4 Removal and Resignation. Any officer chosen by the Board may be removed at any time, with or without cause or notice, by the Board. Any officer appointed by the President may be removed by the President or the Board.

6.5 Vacancies. A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular election or appointment to that office, provided that vacancies may be filled as they occur and not on an annual basis.

6.6 President. The President shall serve as the Chief Executive Officer of the BID, and shall determine all committees and assist in the selection of committee personnel, subject to the approval of the Board, and shall have other powers and duties as prescribed by the Board or the Bylaws. The President shall preside at meetings of the Board and the Members.

6.7 Vice President. In the absence or disability of the President, the President's duties and responsibilities shall be carried out by the Vice President. When so acting, a Vice President shall have all the powers of and be subject to all the restrictions on the President. The Vice President of the corporation shall have such other powers and perform such other duties as prescribed from time to time by the Board, the Bylaws, or the President.

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6.8 Secretary. The Secretary's duties shall consist of the following:

(a) The Secretary shall keep, or cause to be kept, minutes of meetings of the Board and its committees. If the Secretary is unable to be present, the Secretary or the presiding officer of the meeting shall designate another person to take the minutes of the meeting. The minutes of each meeting shall state the time and place the meeting was held, whether it was regular or special, if special, how it was called or authorized, the notice given of the meeting, the names of those present at the meeting, and the proceedings of the meeting. The Secretary shall keep or have kept at the principal office in California a copy of the Articles of Incorporation and as amended.

(b) The Secretary shall keep, or cause to be kept, at the principal executive office or such other place as designated by the Board, a book of minutes of all meetings of the Board of directors, and of committees of the Board.

(c) The Secretary shall give notice, or cause notice to be given, of all Board meetings, and meetings of committees of the Board for which notice is required by statute or by

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the Bylaws. If the Secretary or other person authorized by the Secretary to give notice fails to act, notice of any meeting may be given by any other officer of the corporation

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6.9 Treasurer. The Treasurer's duties shall consist of the following:

(a) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any Director .

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(b) The Treasurer shall (i) deposit funds of the corporation and other valuables in the corporation's name and to its credit with depositories designated by the Board; (ii) make disbursements of corporation funds as authorized by the Board and the City Council, in accordance with Article 9 of these Bylaws; (iii) render a statement of the corporation's financial condition and an account of all transactions conducted as Treasurer whenever requested by the President or the Board; and (iv) have other powers and perform other duties as prescribed by the Board or the Bylaws.

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Article VII

Indemnification and Insurance

7.1 Indemnification. To the fullest extent permitted by law, the corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in Corporations Code §7237(a), including persons formerly occupying any such positions, 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 such section, 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. "Expenses" as used in this Bylaw shall have the same meaning as in Corporations Code §7237(a).

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On written request to the Board by any person seeking indemnification under Corporations Code §7237(b) or §7237(c), the Board shall promptly decide whether the applicable standard of conduct set forth in Corporations Code §7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under Corporations Code §7237(e) whether the applicable standard of conduct has been met and, if so, the Members present at the meeting in person or by proxy shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding shall be advanced by the corporation before final disposition of the

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proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

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7.2 Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of its Directors, officers, employees and other agents, against any liability asserted against or incurred by any Director, officer, employee or agent in such capacity or arising out of the Director's, officer's or agent's status as such.

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Article VIII

Records and Reports

8.1 Maintenance of Corporate Records. The Secretary, or such other officers as the Board may direct, shall keep the following records and reports at the corporation's principal office:

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(a) Adequate and correct books and records of account:

(b) Minutes in written form of the proceedings of the Members, the Board, and committees of the Board; and

(c) A record of the Members' names and addresses.

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

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8.3 Annual Report.

(a) The Board shall cause an annual report to be prepared within 120 days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail:

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(i) A balance sheet as of the end of the fiscal year, an income statement and statement of cash flows for the fiscal year, accompanied by an independent accountant's report or, if none, by the certificate of an authorized officer of the corporation, that they were prepared without an audit from the corporation's books and records, and

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(ii) A statement of the place where the names and address of current Members is located.

(b) The Board shall annually notify each Member of the Member's right to receive a copy of the annual report under this Section. Except as provided in the next subparagraph (c) of this Section 8.3, on written request by a Member, the Board shall promptly cause the most recent

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annual report to be sent to the requesting Member. If the Board approves, the corporation may send the report and any accompanying material sent pursuant to this Section by electronic transmission.

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(c) This Section 8.3 shall not apply if the corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

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8.4 Annual Statement. As part of the annual report to all Members, or as a separate document if no annual report is issued, the corporation shall annually prepare and mail, deliver or send by electronic transmission to its Members, and furnish to its Directors, a statement of any transaction or indemnification of the following kinds within 120 days after the end of the corporation's fiscal year:

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(a) Unless approved by Members under Corporations Code §7233(a), any transaction (i) to which the corporation (or its parent or subsidiaries, if any) was a party, (ii) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which any Director or officer of the corporation, or any holder of more than 10% of the voting power of the corporation, had a direct or indirect material financial interest. The statement shall include a brief description of the transaction, the names of the interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and when practicable, the amount of that interest, except that, in a partnership in which such person is a partner, only the partnership interest need be stated.

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(b) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Director or officer of the corporation, unless such loan, guaranty, indemnification or advance has already been approved by the Members under Corporations Code §7235(a), or the loan or guaranty is not subject to Corporations Code §7235(a).

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Article IX Receipts and Disbursements

9.1 Deposit of Funds. Pursuant to agreement between the BID and City of San Rafael, all funds collected for the corporation pursuant to San Rafael City Ordinance Chapter 10.08, Ordinance No. 1356, shall be deposited with the corporation.

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9.2 Approval of Expenditures of Assessment by City Council. Pursuant to Section 36530 of the California Streets and Highways Code, the San Rafael City Council must approve all expenditures of assessment funds by the corporation. On an annual basis, the corporation shall submit to the City council a budget of proposed expenditures (“Budget”). Approval of the Budget by the City Council shall constitute approval of expenditures of assessment funds made pursuant to the Budget.

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9.3 Check Authorization. All checks issued by the corporation must have the authorized signatures of at least two members of the Executive Committee.

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Article X

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Miscellaneous Provisions

10.1 Order of Business. The order of business and all parliamentary procedures of the corporation shall be conducted in accordance with Roberts Rules of Order .

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10.2 Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the BID and any other person, when signed by any one of the President, the Vice President, the Secretary, or the Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officer had no authority to execute the same. Any such instruments may be signed by any other person or persons, and in the manner, time to time determined by the Board. 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 render it liable for any purpose or amount.

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10.3 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

10.4 Amendments. These Bylaws may be amended or altered by a majority vote of the Board or by approval of the Members by written ballot or at a meeting, provided notice of the meeting includes the proposal for amendment. Any proposed amendments or alterations shall be submitted by the Board to the Members at least ten days in advance of the meeting at which they are to be acted upon. An amendment to change the minimum or maximum number of Directors may only be adopted by approval of the Members. For purposes of this Section 10.4, "approval of the Members" means approved or ratified by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) or by written ballot in conformity with Section 7513 of the California Corporations Code

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the duly elected and acting Secretary of San Rafael Business Improvement District, a California non-profit mutual benefit corporation, and that the above Bylaws, consisting of ___ pages, are the Amended and Restated Bylaws of the corporation, as adopted by a vote of the Members as of _____, 2021; and that these Bylaws have not been modified since that date.

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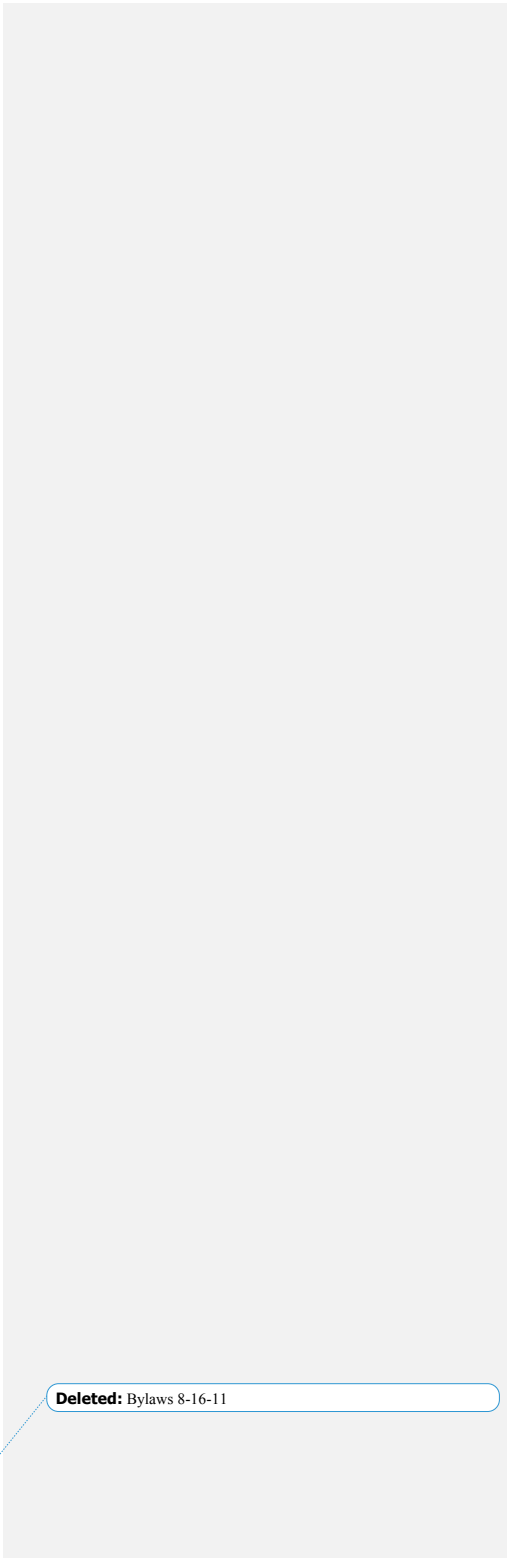
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Executed on _____, 2021 at San Rafael, California.

Print Name: _____



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