

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Agenda

Date: Wednesday, September 13, 2023

Time: 10:00-11:30 am

Place: Municipal Building, 411 Main Street, 3rd Floor Conference Area
Chico, CA 95928

Downtown Chico PBID Board of Directors

Tom DiGiovanni, President
Greg Scott, Vice President
David Halimi, Treasurer
Chris Daniels
Jennifer Mackall
Alan Tochtermann
Eric Hart

Board Directors Advisors

Megan Kurtz, CSU Chico
Erik Gustafson
Jennifer Macarthy

Copies of this agenda packet available for review at the following locations:

- City of Chico, Clerk's Office, 411 Main Street, Chico, CA 95928
- PBID Meeting Location, 411 Main Street, 3rd Floor Conference Area, Chico, Ca 95928
- Downtown Chico Business Association, 341 Broadway, Suite 211, Chico, Ca 95928
- www.chicoca.gov and www.chicopbid.com

Posted on: September 6, 2023

Posting Locations: 411 Main Street, Chico, CA 95928,
341 Broadway, Suite 211, Chico, Ca 95928

Prior to: 5:00 p.m.

The Downtown Chico PBID Board welcomes you to this meeting and invites you to participate in matters before the Board. Request to be added to a mailing list for PBID meeting to DCBA@downtownchico.com, Greg@DiamondSteakhouseChico.com, Audrey@ChabinConcepts.com, with subject: Add to PBID Mailing List.

Information & Procedures

- All members of the public may address the board on any item listed on the agenda.
- All members of the public may address the board on non-agenda items under Public Questions/Comments of the agenda
- No action can be taken by the Board on any items brought forward at a meeting. The board may request an item to be brought back at a subsequent meeting.
- Agenda copies are available at the meeting, can be downloaded from the website.
- A special presentation may be made to the Board with prior approval and agenized.
- Any member of the PBID may request an item to be agenized and should be delivered to the President of the Board at least 8 days in advance of the meeting, or sooner, in order for copies to be included and the board has opportunity to review material in advance.

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Agenda

AGENDA September 13, 2023

1. Call to Order – President Tom DiGiovanni

1.1 Welcome & Introductions

2. Consent Agenda

2.1 Financial Statements – Profit & Loss, Balance Sheet, YTD to Budget (attached)

2.2 July 12, 2023, Board Minutes

3. Public Comments

4. Regular Agenda

4.1 **AdHoc Committee Bylaws** – Alan Tochterman, Jennifer Mackall, David Halami Report and Recommendation to the Board of Directors

The AdHoc Committee was charged with reviewing and updating the original 2017 Downtown Chico PBID (Property Based Improvement District) Bylaws. The AdHoc Committee has reviewed the bylaws and is recommending a rewrite of the Bylaws to be taken to the Members for voting.

Alan Tochterman will report on the AdHoc's Committee review, the rewrite of proposed new Bylaws and specific items in the Bylaws that are recommended to be revised for the Board to consider for action.

The PBID cannot vote on changing or updating the bylaws. The AdHoc Committee is requesting the Board to approve a ballot of the membership to approve the new proposed bylaws.

Attached: 2017 Downtown Chico PBID Bylaws, Proposed 2023 Downtown Chico PBID Bylaws.

ACTION: The Board should accept the AdHoc Committee's report and determine next steps actions, such as, continue to review and revise, recommend changes or forward the Bylaws to the membership via a formal ballot.

4.2 **Nominating Committee:** The Board needs to review, confirm and appoint recommended Board Members annually to carry out making recommendations to the Board for vacant positions. Two Board seats expire at the end of 2023, Tom DiGiovanni and David Halimi. See attached 2017 Bylaws Section 6.3 Advisory Committees, 6.3.7 Nomination Committee Excerpt.

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Agenda

ACTION: Appoint 2023 Nominating Committee to identify and come back to the Board with recommended candidates. Select meeting date the Nominate Committee need to bring recommendations back to board

4.3 **Annual Meeting** general meeting for purposes of organization, election of Directors, election of officers and transaction of other businesses. Bylaws Section 4.4, Meetings, 4.4.3 page 3, notes the annual shall be held on the second Tuesday of each November, or such other dates as may be set in such notice. See

ACTION: Annual Meeting should be scheduled to align with work of Nominating Committee candidates and timeline for voting, which appear to be later than date currently set in Bylaws but must be noticed.

4.4 **Board Meeting schedule.** At the March 28, 2023, Board meeting the Board set a monthly meeting schedule for the second Wednesday of the month with the meetings to be held at City Hall, 3rd Floor Conference area. During the summer meetings in June and August were not held. In prior years the meetings were held every other month. Does the Board want to revise the Board Meeting schedule set in March?

ACTION: Discuss and confirm Board Meeting schedule remainder of 2023 and 2024 to be posted on PBID website.

5 Verbal Updates:

5.1 Parking Structure Maintenance

5.2 Block by Block

6 Other Business – An item may be brought up to the Board, however no action can be taken by the Board. The item can be put on a future agenda for discussion or referred to an ad-loc committee.

7 Adjournment

Attachments:

- PBID Financial
- PBID July 12, 2023, Board Meeting Minutes
- 4.1 2017 PBID Bylaws & Proposed PBID Bylaws Revision
- 4.2 2017 Excerpt – Nominations Committee
- Board of Directors List
- 4.3 2017 Excerpt – Meetings & Annual Meeting

Downtown Chico PBID, Inc.

Profit and Loss YTD Comparison

July 1 - September 1, 2023

	TOTAL	
	JUL 1 - SEP 1, 2023	JAN 1 - SEP 1, 2023 (YTD)
Income		
3000 General Benefits Income	20,703.00	38,170.00
3200 City Contracts Assessments	158,440.32	463,081.48
Billable Expense Income		10,620.00
Total Income	\$179,143.32	\$511,871.48
GROSS PROFIT	\$179,143.32	\$511,871.48
Expenses		
4800 CGL Insurance		2,533.00
4830 D&O Insurance		2,407.00
5310 postage	1.10	1.10
6110 Printing/Copies		28.08
6310 Prof. Services - BBB	69,459.74	278,047.29
6320 Prof. Services - Other	1,500.00	2,812.50
6330 Professional Fees - Accounting	75.00	393.75
7030 Utilities	163.71	655.31
Computer and Internet Expense	120.00	616.60
Total Expenses	\$71,319.55	\$287,494.63
NET OPERATING INCOME	\$107,823.77	\$224,376.85
NET INCOME	\$107,823.77	\$224,376.85

Downtown Chico PBID, Inc.

Balance Sheet

As of September 1, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1001 Checking Account - TCBK	154,259.24
Total Bank Accounts	\$154,259.24
Accounts Receivable	
Accounts Receivable (A/R)	0.00
Total Accounts Receivable	\$0.00
Other Current Assets	
Undeposited Funds	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$154,259.24
TOTAL ASSETS	\$154,259.24
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable (A/P)	34,729.87
Total Accounts Payable	\$34,729.87
Other Current Liabilities	
2310 Line of Credit	0.00
Direct Deposit Payable	0.00
Payroll Liabilities	
CA PIT / SDI	0.00
CA SUI / ETT	0.00
Federal Taxes (941/943/944)	0.00
Total Payroll Liabilities	0.00
Short Term Loan	5,500.00
Total Other Current Liabilities	\$5,500.00
Total Current Liabilities	\$40,229.87
Total Liabilities	\$40,229.87
Equity	
Retained Earnings	-110,347.48
Net Income	224,376.85
Total Equity	\$114,029.37
TOTAL LIABILITIES AND EQUITY	\$154,259.24

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Minutes March 28, 2023

Date: July 12, 2023
Time: 10:00 – 10:43 am
Place: Municipal Building, 411 Main Street, 3rd Floor Conference Area
Chico, CA 95928

BOARD DIRECTORS IN ATTENDANCE: Tom DiGiovanni, Alan Tochtermann, Eric Hart, Jennifer Mackall, Greg Scott, David Halimi, Chris Daniels, Erik Gustafson, Megan Kurtz

ABSENT DIRECTORS: Christine Daniels

PUBLIC: Jennifer Macarthy, Audrey Taylor (Volunteer)

1.0 Meeting called to order by President Tom DiGiovanni, 10:03am

2.0 Consent Agenda, M/S Jennifer Mackall, Tom DiGiovanni.

3.0 Board Items

3.1 Annual Report and Request for 5% increase in assessment as authorized in the PBID Management District Plan presented by Greg Scott.

Jennifer Macarthy, City of Chico Deputy City Manager, gave an overall view of the process that is needed to formally request an increase in the assessment. The District Management Plan allows the PBID to initiate the increase via a letter of request to the city council with appropriate back-up to justify the increase. In addition, the PBID must submit a new tax roll showing the 5% increase for each taxable property in the district. The letter, justification and tax roll must be submitted to the City of Chico Council for their review for their August 1 meeting which would then be passed to the County which is required to be submitted by August 10.

Greg Scott reviewed the justification for requesting the 5% increase specifically:

- Increase of cost with the Block-by-Block contract for clean and safe, estimated 3%;
- Increase in the cost of insurance;
- The requirement in the City contract to have a reserve account which cash flow has not allowed because the PBID, during the original establishment in 2017, started services two month prior to the assessment being formally set, because of the needs for services at the time, so cash flow has always been short at the end of the year without a mechanism to replace that revenue;
- Potential purchase of equipment to help with cleaning.

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Minutes March 28, 2023

Extensive discussion was held on process for purchasing equipment, PBID or Block by Block purchases, and amortization. Also, discussion was held on reviewing the Block by Block contract for 2024 which has started but waiting for a proposal from Block by Block. Tom DiGiovanni reported he had spreadsheets that details wage and overhead costs.

Also discussed was the letter to the city requesting the General Benefit assessment and an increase of 5%.

ACTION 1: M/S Alan Tochtermann/Tom DiGiovanni the PBID Board formally submit to the City of Chico request to increase the assessment the maximum allowed by the PBID District Management Plan 5% for the next tax year. A letter, justification and new tax roll will be submitted to the City for the City's August 1, 2023, Council Meeting.

ACTION 2: M/S Alan Tochtermann/Jennifer Mackall the PBID Board formally submit a letter to the City of Chico for a 5% increase in assessment of the General Benefit amount, \$20,703 to \$21,738.15, a total of \$1035.15.

4.0 Verbal Updates

4.1 Greg Scott reported on the parking structure cleaning by PBID and status of working with city to move the existing contract with their vendor to PBID or the DCBA for the Ambassadors to handle cleaning. The current vendors are not keeping the parking structure clean.

4.2 Greg Scott reported that Block by Block management would be in Chico in the next two weeks to review a new contract, duties and request proposal. Eric Hart requested a close look at the overhead being charged. Tom DiGiovanni reported he would pull the spreadsheets he had and get them to Greg and Eric for meeting with Block by Block. The contract committee is Greg Scott, Jennifer Mackall and Eric Hart.

4.3 Alan Tochtermann reported he and Jennifer Mackall had met to review the bylaws and recommended changes and would bring back to the August board meeting.

4.4 Audrey Taylor reported on communications and the lack of email addresses for property owners. Suggested that hard copy letters be sent to all property owners regarding status of the PBID and request email address for future reporting and updating.

5.0 Other Business – none.

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Minutes March 28, 2023

6.0 New Business – letter from David Halimi as Treasurer of PBID, recommendation for establishing a reserve account. David and Audrey to review the current cash flow and bring it back to board.

7.0 Questions from the floor. None.

Meeting Adjourned 10:43pm. M/S David Halimi/Tom DiGiovanni

Respectfully submitted,



Audrey E. Taylor, volunteer on behalf of Secretary Chris Daniels.

September 13, 2023

Agenda Item 4.1 ByLaws

**Downtown Chico Property Based Improvement District
(PBID)**

ByLaws 2017

BYLAWS
Downtown Chico PBID
A California Nonprofit Mutual Benefit Corporation

ARTICLE 1
NAME, OFFICE AND PURPOSES

1.1 Name.

The name of this corporation shall be Downtown Chico PBID (hereinafter "the Corporation").

1.2 Principal Office.

The principal office of the Corporation initially shall be located 330 Salem Street, Chico CA 95928. The principal office and additional offices may be located in such other places as may be determined from time to time by the Board of Directors.

1.3 Purposes.

This Corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this Corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law. In the context of the general purpose described above, the specific purposes of the Corporation shall be to forge a partnership between the assessment paying property owners, business owners, residential representatives, and the City of Chico to improve and enhance the economic vitality and overall environment of Downtown Chico by offering services to the entire district by means of enhanced maintenance, enhanced security, business development and retention, and enhanced management of all parking systems, public and private. A copy of the current map showing the geographic areas of Downtown Chico included in the assessment district is attached as Attachment A to these Bylaws and made a part hereof by this reference ("Boundary Map").

ARTICLE 2. DISSOLUTION

2.1 Conditions.

This Corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits, or dividends of its members and is organized solely for nonprofit purposes. No part of the profits or net income of this Corporation shall ever inure to the benefit of any director, officer, or member thereof, or to any individual. Upon the dissolution or winding up of the Corporation, after payment of, or provision for payment of, all debts and liabilities of this Corporation, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation which has established its tax-exempt status under section 501(c)(6) of the Internal Revenue Code.

ARTICLE 3. MEMBERS

3.1 Membership and Voting Rights.

The Corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. Any references herein to "members" are the Board of Directors. Each Director shall be entitled to one vote.

ARTICLE 4. BOARD OF DIRECTORS

4.1 General Powers.

Subject to the limitations of these Bylaws, the Articles of Incorporation, and the laws of California, the affairs of the Corporation shall be managed, and all corporate powers shall be exercised by, or under the direction of a Board of Directors.

4.2 Specific Powers.

Without prejudice to the general powers set forth in Section 4.1 above, but subject to the same limitations, the Board shall have the power to do the following:

4.2.1 Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation and these bylaws; and fix their compensation.

4.2.2 Change the principal office in California from one location to another.

4.2.3 Borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

4.3 Number, Term of Office, Tenure, and Qualifications.

4.3.1 The Board of Directors shall consist of seven (7) Directors, as follows:

(a) The Board of Directors shall elect no more than seven (7) Directors, and a minimum of five (5) of these Directors shall be made up of owners of real property located within the assessment district (or a designated representative of an owner within the assessment district). Each Director will serve a two year term. These elected Director positions shall have staggered terms such that one year two (2) Director positions shall be up for election, and the next year three (3) Director positions shall be up for election. Each Director shall be limited to serving a maximum of five (5) consecutive terms, and may serve again after taking one year off as a Director. Elections for Director positions shall be held at the meeting of the Board as described in Section 4.4.3 of these Bylaws.

4.4 Meetings.

4.4.1 All meetings of the Board of Directors, Executive Committee and all standing committees shall meet in compliance with the Ralph M. Brown Act ("Brown Act").

4.4.2 Any Board Meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if each of the following apply:

(a) Each member participating in the meeting can communicate concurrently with all other members;

(b) Each member is provided a means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to, a specific action to be taken by the Corporation; and

(c) All requirements of the Brown Act relating to participation of a Board Member through teleconferencing including, without limitation, notice requirements, shall have been complied with.

4.4.3 Upon compliance with applicable notice requirements, on the second Tuesday of each November, or such other date as may be set in such notice, the Board shall hold a general meeting for purposes of organization, election of Directors, election of officers and transaction of other business.

Other general meetings of the Board may be held upon notice at such time and place as the Board may fix from time to time.

4.4.4 Special meetings of the Board for any purpose may be called at any time by the Chair or a majority of the Board in a manner consistent with the Brown Act.

4.5 Quorum.

A majority of the Directors holding office at any point in time shall constitute a quorum.

4.6 Manner of Acting.

Action by the Board shall be by a majority of the Directors present at a meeting duly held at which a quorum has been established unless a greater number is required by law.

4.7 Termination; Removal

The following actions require an affirmative vote of at least 60% of the Directors then in office; (a) removal of a member of the Board of Directors, (b) a removal of an officer of the Corporation per Section 5.3 of these Bylaws, and (c) modification or cancellation of the corporate By-Laws. All other actions by the Board requires only a simple majority.

4.8 Proxy Votes

A Director may vote by proxy on any matter.

4.9 Vacancies.

4.9.1 Events causing vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any one of the following: (i) the death, resignation, or removal of any director; (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under the California Nonprofit Corporation Law; (iii) the increase of the authorized number of Directors and (iv) the failure of the Directors, at any meeting of members at which any director or Directors are to be elected, to elect the number of Directors to be elected at such meeting. Further, a Director who fails to attend three consecutive meetings of the Board of Directors shall automatically be removed from the Board without further resolution of the Board and a vacancy will thereby be created unless (1) the Director requests a leave of absence for a limited period of time, and the leave is approved by the Directors at a regular or special meeting (if such leave is granted the number of Board members will be reduced by one in determining whether a quorum is or is not present) (2) the Director suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection; or (3) the Board by resolution of a majority of Board members, and upon personal appearance before the

Board by the subject Director, agrees to reinstate a Director who has missed three meetings in a row.

4.9.2 Filling of vacancy. Any vacancy occurring in the Board of Directors to be filled by reason of an increase in the number of Directors shall be filled by a majority of the remaining Directors, though less than a quorum, or a sole remaining director. A director elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office and until his or her successor is elected.

4.10 Resignations.

Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the Chairperson, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

4.11 Compensation.

Directors shall not receive compensation for their services as members of the Board. Nothing herein shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore or from receiving reimbursement for reasonable expenses, as may be fixed or determined by a Resolution of the Board.

4.12 No Interest in Assets.

No director shall possess any property right in or to the property of the Corporation. In the event the Corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the Directors shall dispose of the remaining property in accordance with the provisions of the Articles of Incorporation and these Bylaws.

4.13 Contracts with Directors and Officers.

No Director of this Corporation nor any other corporation, firm, association or other entity in which one or more of this Corporation's Directors have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless (1) the material facts as to the transaction and such Director's interest are fully disclosed or known to other Directors and such contract or transaction is approved by the other Directors in good faith, with any interested Director not being entitled to vote thereon; or (2) the material facts regarding such Director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes or are known to all Directors before consideration by the Board of Directors of such contract or transaction and such contract or transaction is authorized in good faith by a majority of the Board of Directors by a vote sufficient for that purpose without counting the vote of the interested Director.

4.14 Loans to Directors, Officers and Staff.

This Corporation shall not lend any money or property to, or guarantee the obligation of any Director, officer or staff of the Corporation or of its parent, affiliate or subsidiary.

ARTICLE 5. OFFICERS

5.1 Officers.

The officers of the Corporation shall be a President, a Secretary, a Treasurer, and such other officers as may be elected to offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. One person may hold two or more offices, except those of President and Treasurer, however no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged, or verified by two or more officers. Officers do not necessarily have to be directors.

5.2 Election and Term of Office.

The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors each for a term of one year. If the election of any officer shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled, and vacancies may be filled, at any meeting of the Board of Directors. The term for each office shall expire at the end of each fiscal year. Each officer shall hold office until a successor shall have been elected, unless otherwise removed.

5.3 Removal.

Subject to rights that may exist under any contract of employment, any officer elected or appointed by the Board may be removed, by the affirmative vote of at least 60% of the Directors then in office.

5.4 Resignation.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 President.

The President shall preside at all meetings of the Corporation and the Board. The President, and members of the Executive Committee, shall set the agenda for meetings of the Board.

5.6 Secretary/Treasurer.

The Secretary shall be responsible for the mailing of notices and the proper recording of proceedings of meetings of the Corporation. The Secretary shall be the supervising officer, instructing the President to secure and complete all reports to the Board of Directors. The Secretary shall insure that the President keeps all records of corporate affairs in an orderly manner in the business office of the Corporation. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings and actions of the Board. The Secretary shall keep or cause to be kept at this same location a copy of the articles of incorporation and the bylaws as amended to date.

The Treasurer shall oversee the Corporation's funds and financial records. The Treasurer shall collect and report, or supervise collection and reporting, of all income and expenditures, shall establish proper accounting procedures for the handling of the Corporation's funds, and shall be responsible for the keeping of the funds in such banks as approved by the Board. The Treasurer shall report on the financial condition

of the Corporation at meetings of the Board and at other times when called upon by the President. The Treasurer shall also serve as the Chair of the Finance Committee.

At the end of each fiscal year, the Treasurer shall prepare, or cause to be prepared, an annual report which shall, if required by the Board, be reviewed by a certified public accountant. At the expiration of the Treasurer's term of office, or upon removal, the Treasurer shall immediately deliver over to the person designated by the President all books, money and other property in his or her charge.

ARTICLE 6. COMMITTEES

6.1 Creation and Powers of Committees.

Initially, there shall be an Executive Committee which shall be comprised of Directors. At the discretion of the Board of Directors, additional executive committees, as well as advisory Committees, may be created as the need arises. Except for the Executive Committee, no committee shall have the authority of the Board; further, no Committee, including the Executive Committee, may do any of the following:

6.1.1 Fill vacancies on the Board or any committee of the Board;

6.1.2 Amend or repeal bylaws or adopt new bylaws;

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

6.1.4 Create any other committees of the Board or appoint the members of any committees of the Board;

6.1.5 Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or

6.1.6 Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code Section 5233(d)(3).

6.2 Executive Committee.

There shall be an Executive Committee elected by the Board. The Executive Committee shall be comprised of no more than three (3) Directors and must include the President. Only members of the Executive Committee who are also Directors shall be entitled to vote. The Board of Directors hereby delegates to the Executive Committee authority to exercise all powers of the Board (except powers to amend these Bylaws and the powers described in Section 6.1 above) between meetings of the Board. Two (2) members of the Executive Committee shall constitute a quorum for the transaction of business, and shall have all the authority of the Board of Directors to the extent provided in the Board resolutions, except as set forth in Section 6.1 of these Bylaws. The President of the Corporation shall serve as the Chair of the Executive Committee.

6.3 Advisory Committees.

The Board of Directors may, by resolution, establish and appoint other committees, which shall be advisory committees and to which no authority of the Board shall be delegated. The purpose of such committees will be to consider such issues as may be assigned to them from time to time by the President, the Board of Directors and/or the Executive Committee and provide reports and/or recommendations with respect to

such issues as may be requested. Such reports and recommendations shall be advisory only, and the Board and/or Executive Committee shall consider, but shall not be bound by, any such reports and recommendations in making decisions with respect to such issues.

The following is a list of advisory committees that may be created by resolution at the discretion of the Board. Membership on the following committees shall include at least two (2) members of the Board of Directors (except where otherwise indicated) and representative stakeholders from Downtown Chico. These advisory committees shall include:

6.3.1 Marketing and Promotions Committee. The mission of this committee shall be to position and promote Downtown Chico in order to maintain and expand its customer base and increase sales. Membership shall be no less than three (3), nor more than seven (7) members. The Chair of this committee shall invite such Staff personnel and others to attend meeting in such Chair's discretion.

6.3.2 Security Committee. The mission of this committee shall be to support initiatives to improve the safety of visitors and employees, and to build strategic partnerships with law enforcement and other agencies working to address public safety. Membership shall be no less than two (2), nor more than six (6) members. The Chair of this committee shall invite such Staff personnel and others to attend meeting in such Chair's discretion.

6.3.3 Maintenance Committee. The mission of this committee shall be to keep the streets, sidewalks, alleyways, and parking structures in Downtown Chico clean, attractive and inviting, and to encourage private participation in strong maintenance standards. Membership shall be no less than two (2), nor more than six (6) members. The Chair of this committee shall invite such Staff personnel and others to attend meeting in such Chair's discretion.

6.3.4 Economic Development Committee. The mission of this committee shall be to encourage and facilitate appropriate development, growth and renewal through all of Downtown Chico, and to ensure continued economic vitality in the district; it shall also help guide advocacy efforts and overall long-range and strategic planning for the Corporation. Membership shall be no less than three (3), nor more than ten (7) members and shall include at least two (2) members of the Board of Directors. The Chair of this committee shall invite such Staff personnel and others to attend meeting in such Chair's discretion.

6.3.5 Finance Committee. The mission of this committee shall be to manage the financial affairs of the Corporation. This Committee is chaired by the Treasurer. Membership shall be no less than three (3), nor more than six (6) members, with a maximum of one of the members being someone who is not also a member of the Board of Directors.

6.3.6 Parking Committee. The mission of this committee shall be to provide oversight on parking management, parking policies and overall efforts to provide a quality parking experience for Downtown Chico patrons and employees. Membership shall be no less than three (3), nor more than six (6) members, with at least two (2) of the members also being members of the Board of Directors.

6.3.7 Nominating Committee. This committee is chaired by the President. Membership shall be no less than three (3), nor more than seven (7) members, of which all of the members also being members of the Board of Directors appointed by the Executive Committee, with three (3) of those being Property Owners and two (2) shall be the President. The Executive Committee will nominate elected Board members to this committee, and the Board shall appoint this committee annually.

(a) The Nominating Committee will recruit and make recommendations to the Board of candidates for any vacancies for any of the seven (7) Board elected Director positions. The Nominating Committee will also accept nominations for candidates for any such position, and shall consider following factors (i) representation from all geographic, business and residential constituencies in Downtown Chico, (ii) balance in the skill and background of the nominees in such areas as legal, accounting, investments, corporate management, retail and real property management, and (iii) such other factors as the Nominating Committee may adopt from time to time.

(b) At the meeting of the Board of Directors in October of each year (or at such other time as the Board may determine) the Nominating Committee will make recommendations to the Board as to the process of notifying Directors and property owners within Downtown Chico the procedures to nominate a candidate to fill anticipated vacancies on the Board in the upcoming calendar year.

(c) At the meeting of the Board of Directors in October of each year (or at such other time as the Board may determine), the Nominating Committee shall submit a preliminary draft ballot of nominees to fill the vacancies, which ballot shall include the following information:

- (1) the vacancies on the Board to be filled;
- (2) the officer positions required to be filled pursuant to Article 5 of these Bylaws;
- (3) the names of all persons nominated to fill those Board and officer vacancies; and
- (4) the names of the person(s) or entities who nominated such persons

(d) During the general meeting of the Board of Directors described in Section 4.4.3 of these Bylaws, the Nominating Committee shall submit to the Board a final ballot which shall set forth updated information as set forth in subpart (c) above; the Board will then hold the election to fill the officer and director vacancies based on that final ballot.

(e) In the event any vacancies occur on the Board prior to expiration of a normal two (2) year term, the Nominating Committee may present a nominee to fill that vacancy for the balance of the term for consideration for election at the next regular Board Meeting.

6.4 Chair-Persons of Committees

The President of the Board shall appoint the Chair of each committee except for the Finance Committee, the Chair of which shall be the Secretary/Treasurer of the Corporation.

6.5 Meetings and Actions of Committees

Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee.

6.6 Committee Authority.

With the exception of the power and authority granted to the Executive Committee under Section 6.1, all committees shall operate solely in an advisory capacity and may not take action on behalf of the Corporation.

ARTICLE 7. FISCAL YEAR

7.1 Fiscal Operations.

The fiscal year of this Corporation shall be the calendar year.

ARTICLE 8. INDEMNIFICATION, NON-LIABILITY OF DIRECTORS, AND INSURANCE

8.1 Indemnification.

The Corporation shall, to the fullest extent allowed by applicable state and federal laws, indemnify, defend, and hold harmless its officers, Directors, employees and other persons described in Corporations Code Section 7237(a), including persons formerly occupying those positions, from and against any and all expenses, judgments, fines settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is defined in that 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 above, shall have the meaning as set forth in that section of the Corporations Code. On written request to the Board by any person seeking indemnification under Corporations Code Sections 7237(b) or (c), the Board shall promptly decide under Corporations Code Section 7237(e) whether the applicable standard of conduct set forth in Corporations Code Section 7237(c) has been met and, if so, the Board 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 this section of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the 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.

8.2 Non-Liability of Directors.

To the fullest extent allowed by applicable state and federal laws, the Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation, nor for any and all actions taken in the manner described in Corporations Code Sections 7231 (a) and (b), including without limitation, actions taken in good faith and in a manner which such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

8.3 Insurance.

The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability 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 this Article VIII.

ARTICLE 9. BOOKS AND RECORDS

The Corporation shall keep at its principal office correct and complete books and records of account, written minutes of the proceedings of its meetings, the original or a copy of the Articles and Bylaws as amended to date, and a record giving the names and addresses of all Directors.

ARTICLE 10. NONDISCRIMINATION

The Corporation shall maintain a non-discriminatory policy as to participation in its programs, hiring of support staff, election of Directors, and in its dealings with any other person or business that might be associated with it in any manner.

ARTICLE 11. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the California Nonprofit Corporation Law or under the provisions of the Articles of Incorporation or by the Bylaws of the Corporation, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, which is made a part of the minutes, shall be deemed equivalent to the giving of such notice.

ARTICLE 12. ANNUAL REPORTS

At the conclusion of each fiscal years' accounting, the Board shall cause to be sent to the members an annual report and an annual statement of transactions and indemnifications in accordance with applicable state law and the Downtown Chico PBID's contract with the City of Chico.

ARTICLE 13. RULES OF ORDER

The rules contained in Robert's Rules of Order Newly Revised or as may be amended from time to time, shall govern the Corporation in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of Incorporation, or

ARTICLE 14. AMENDMENTS TO BYLAWS

New bylaws may be adopted, not to be inconsistent with applicable state and local law. The bylaws may only be modified by a 60% majority of the entire Board of Directors serving at that time. All members of the Board of Directors in attendance at a meeting considering any modification must vote, and their vote recorded and placed in the minutes of the Corporation.

September 13, 2023

Agenda Item 4.1 ByLaws

**Downtown Chico Property Based Improvement District
(PBID)**

**Proposed ByLaw Revision/Rewrite presented to Board
of Directors for consideration to be voted upon by
membership.**

**Purpose is to clarify and make clear various sections in
the ByLaws.**

BYLAWS
OF
DOWNTOWN CHICO PBID, INC.

A California Nonprofit Mutual Benefit Corporation

ARTICLE 1
NAME

The name of this corporation shall be Downtown Chico PBID, Incorporated.

ARTICLE 2
OFFICES

Section 1 Principal Office. The principal office for the transaction of the business of the corporation ("principal executive office") shall be located in Butte County, California. The Directors may change the principal office. Any change of this location shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2 Other Offices. The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE 3
OBJECTIVES AND PURPOSES

The objectives of this corporation shall be to manage the implementation of the Downtown Chico Property-Based Business Improvement District (the "PBID") and to do all things related to, incidental to, or in furtherance thereof.

ARTICLE 4
MEMBERSHIP

Section 1 Qualifications. Membership shall consist of all persons whose properties are assessed in the PBID (the "Members").

Section 2 Voting.

(a) Eligibility to Vote. Persons entitled to vote at any meeting of Members shall be regular Members as of the date determined in accordance with Section 5 of this Article, subject to the provisions of the California Nonprofit Corporation Law.

(b) Manner of Casting Votes. Voting may be by voice or ballot, provided that any election of Directors must be by ballot if demanded by any Member before the voting begins.

(c) Only Majority of Members Represented at Meeting Required, Unless Otherwise Specified. If a quorum is present, the affirmative vote of the majority of the Members

represented at the meeting, entitled to vote and voting on any matter (other than the election of Directors) shall be the act of the Members, unless a vote of a greater number is required by California Nonprofit Corporation Law, or by the Articles of Incorporation.

(d) Proportional Voting. Each Member's vote at any election of Directors shall be weighted in proportion to that Member's assessment amount in the PBID. Those candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be winners of the election.

(e) Record Date for Notice of Voting. Unless fixed by the Board of Directors, the record date for determining those Members entitled to receive notice of, or to vote at, a meeting of the Members, shall be the next business day preceding the day on which notice is given.

Section 3 Quorum.

(a) Percentage Required. Fifty percent of the Members voting in that election or present shall constitute a quorum for the transaction of business of the Members.

(b) Loss of Quorum. The Members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

ARTICLE 5 DIRECTORS

Section 1 Powers.

(a) General Corporate Powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the Members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised by, or under direction of, the Board of Directors.

(b) Specific Powers. Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:

(i) Select and remove all Officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws.

(ii) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debts and securities.

Section 2 Number and Qualifications of Directors. The authorized number of Directors shall be seven (7). The Directors shall include representatives from both the private sector and public sector who own property in and are concerned with the economic vitality of Downtown Chico. Each Director will serve a four-year term. These elected Director positions shall have staggered terms with an election to be held every two years such that four directors will be up for election followed by three directors the following election. These seven Directors shall all own or be the representative of a property owner in the PBID. There shall be one Director representing non-property owners. This Director shall be a business or tenant representative who either currently owns or is a representative of a business owner in the PBID.

Section 3 Election and Term of Office of Directors. Members shall elect the Directors by a ballot from a slate recommended by a nominating committee. Nominating committees shall be appointed by the Board of Directors. A Director shall not be elected to more than three consecutive four-year terms; provided, however, that after completion of three consecutive four-year terms in office, a Director may be reelected to the Board after a lapse of one year.

Section 4 Vacancies.

(a) Events Causing Vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:

- (i) The death, resignation, or removal of any Director;
- (ii) The declaration by resolution of the Board of the Directors of a vacancy of the office of a Director who has been declared of unsound mind by order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Section 5230 in following of the California Nonprofit Corporations Law;
- (iii) The increase of the authorized number of Directors;

(b) Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors unless a notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office as of the date when resignation becomes effective. No Director may resign when the corporation would then be left without a duly elected Director or Directors in charge of its affairs.

(c) Election by Board of Directors. Any vacancy occurring in the Board of Directors shall be filled by a majority of the remaining Directors, even if the majority of remaining Directors do not constitute a quorum, or a sole remaining Director. A Director elected to fill a vacancy in the Board of Directors shall serve for the duration of the unexpired term of his or her predecessor and until his or her successor is elected.

Section 5 Regular Meetings. All meetings of the Board of Directors shall meet in compliance with the Brown Act, California Government Code 54950 et seq. Regular meetings shall be held at the Fred Davis Municipal Center unless otherwise noticed. Special meetings of the Board shall be held at any place that has been designated in the notice of the meeting. Notwithstanding the above provisions of this Section 5, a regular or special meeting of the Board

of Directors may be held at any place consented to in writing by all of the Board Members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

Section 6 Annual Meeting. Immediately following each annual meeting of such Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of Officers, and the transaction of other business. Notice of the meeting shall not be required.

Section 7 Other Regular Meetings. Other regular meetings of the Board of Directors shall be held without call at such time as shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 8 Special Meetings.

(a) Authority to Call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, the Secretary, or a majority of the serving Directors.

(b) Notice.

(i) Manner of Giving. Notice of the time and place of special meetings shall be given to each Director shall be consistent with the provisions of the Brown Act regarding special meetings. Notice of special meetings may be made or by one of the following methods:

By personal or written notice;

By first-class mail, postage paid;

By telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; or

All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the corporation.

(ii) Notice Contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting, or the place of the meeting, if it is to be held at the principal executive office of corporation.

Section 9 Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors. Subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Directors. 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.

Section 10 Waiver of Notice. The transactions of any meeting of the Board of Directors,

however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11 Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 12 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of adjournment.

Section 14 Fees and Compensation of Directors. Directors shall not receive compensation for their service on the Board of Directors. However, this Section 14 shall not be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore or from receiving reimbursement for reasonable expenses, as may be determined by resolution of the Board of Directors to be just and reasonable.

Section 17 Other Committees. The Board of Directors may establish and appoint a nominating committee or other additional committees as it deems necessary.

ARTICLE 6 OFFICERS

Section 1 Officers. The Officers of the corporation shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers as may be appointed by the Board of Directors. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board of Directors. Any number of offices, except those of President and Treasurer, may be held by the same person.

Section 2 Election of Officers. The Officers of the corporation, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of any Officer under any contract of employment.

Section 3 Subordinate Officers. The Board of Directors may appoint, and may authorize the President or another Officer to appoint any other Officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined from time to time by the Board of Directors.

Section 4 Removal of Officers. Subject to the rights, if any, of any Officer under any contract of employment, any Officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board, or, except in case of an Officer chosen by the Board of Directors, by an Officer on whom such power or removal may be conferred by the Board of Directors.

Section 5 Resignation of Officers. Any Officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party.

Section 6 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that office.

Section 7 Responsibilities of Officers.

(a) President. If such an Officer be elected, the President shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time assigned to him by the Board of Directors or prescribed by the Bylaws.

(b) Vice President. The Vice President shall preside at meetings of the Board of Directors in the absence of the President, and exercise and perform such other powers and duties as may be from time assigned to him by the Board of Directors or prescribed by the Bylaws.

(c) Secretary. The Secretary shall attend to the following:

(i) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a Book of Minutes of all meetings and actions of Directors, committees of Directors, and Members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of Members present or represented at Members' meetings, and the proceedings of such meetings.

(ii) Membership Record. The Secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board of Directors, a record of the corporation's Members, showing the names of all Members, their addresses, and the class of membership, if any, held by each.

(d) Treasurer. The Treasurer shall attend to the following:

(i) Books of Account. 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 other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) Deposit and Disbursement of Money and Valuables. The Treasurer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors; shall disburse the funds of the corporation as may be ordered by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

(iii) Bond. If required by the Board of Directors, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

Section 8. Staff. The staff of the Downtown Chico PBID (the "PBID") or any successor organization may manage the PBID and assist the Board of Directors and the Officers, and generally supervise, direct and control the business of the corporation. Anyone serving in a supervisory capacity of the PBID may serve on the Board of Directors ex officio.

ARTICLE 7 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section 1 Definitions. For the purpose of this Article,

(a) "Agent" means any person who is or was a Director, Officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a Director, Officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, Officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation, or of another enterprise at the request of the predecessor corporation;

(b) "Proceeding" means any threatened, pending, or completed action or proceeding whether civil, criminal, administrative, or investigative; and

(c) "Expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

Section 2 Successful Defense by Agent. To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

Section 3 Actions Brought by Persons Other than the Corporation. Subject to the required findings to be made pursuant to Section 5 below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an Officer, Director, or person granted related status by the Attorney General or by the Attorney General on the ground that the defending Director was or is engaging in self-dealing within the meaning of California Corporations Code section 5233, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trusts, by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements, and any other amounts actually and reasonably incurred in connection with the proceeding.

Section 4 Action Brought by or on Behalf of the Corporation.

(a) Claims Settled Out of Court. If any agents settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other dispositions or for any expenses incurred in defending against the proceedings, unless it is settled with the approval of the Attorney General.

(b) Claims and Suits Awarded Against Agent. This corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation, for all expenses actually and reasonably incurred in connection with the defense of the action, provided that both of the following are met:

(i) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that Section; and

(ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent shall be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expense to be reimbursed.

Section 5 Determination of Agent's Good Faith Conduct. The above indemnification granted to an agent in Sections 3 and 4, above, is conditioned on the following:

(a) Required Standard of Conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he believed to be in the best interest of this of corporation, and with such care, including reasonable inquiry, as an ordinary prudent person in the like position would use in a similar circumstance. Determination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of his corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe this his conduct was unlawful.

(b) Manner of Determination of Good Faith Conduct. The determination that the agent did act in a manner complying with paragraph (a), above, shall be made by:

(i) The Board of Directors by a majority vote on a quorum consisting of Directors who are not parties to the proceeding; or

(ii) The affirmative vote (or written ballot in accordance with Article V, Section 9) of a majority of the votes represented and voting at a duly held meeting of Members at which a quorum is present (which affirmative votes also constitute a majority of the required quorum); or

(iii) The court in which the proceeding is or was pending. Such determination may be made on application brought by this corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

Section 6 Limitations. No indemnification or advance shall be made under this Article, except as provided in Section 2 or 5(b)(iii), in any circumstance when it appears:

(a) That the indemnification or advances would be inconsistent with the provision of the Articles, a resolution of the Members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, or which prohibits or otherwise limits indemnification; or

(b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7 Advances of Expenses. Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 8 Contractual Rights of Non-Directors and Non-Officers. Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and Officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

Section 9 Insurance. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf any agent of the corporation against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this Section.

ARTICLE 8
RECORDS AND REPORTS

Section 1 Maintenance of Corporate Records. The corporation shall keep:

- (a) Adequate and correct books and records of accounts;
- (b) Minutes in written form of the proceedings of its Members, Board, and committees of the Board;
- (c) A record of its Members, giving their names and addresses and the class of membership, if any, held by each.
- (d) All such records shall be kept at the corporation's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

Section 2 Members' Inspection Rights.

- (a) Any Member of the corporation may:
 - (i) Inspect and copy the records and Members' names and addresses and voting rights during usual business hours on five days' prior written demand on the corporation, stating the purpose for which the inspection rights are requested, or
 - (ii) Obtain from the Secretary of the corporation, on written demand and on the tender of the Secretary's usual charges for such a list, if any, a list of names and addresses of Members who are entitled to vote for the election of Directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of the date specified by the Member after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such Member by the Secretary on or before the later of ten days after the demand is received or the date specified in it as the date by which the list is to be compiled; and
- (b) Any Member of the corporation may inspect the accounting books and records and minutes of the proceedings of the Members and the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest as a Member.
- (c) Any inspection and copying under this Section may be made in person or by an agent or attorney of the Member, and the right of inspection includes the right to copy and make extracts.

Section 3 Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the Articles and Bylaws as amended to date, which will be open to inspection by the Members at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in the state, the Secretary shall,

on the written request of any Member, furnish to that Member, a copy of the Articles and Bylaws as amended to date.

Section 4 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation in each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 5 Annual Reports to Members.

(a) Not later than 120 days after the close of the corporation's fiscal year, the Board shall cause an annual report to be sent to the Members. Such report shall contain the following information in reasonable detail:

(i) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.

(ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(iii) Revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(iv) The expenses or disbursement of the corporation, for both general and restricted purposes during the fiscal year.

(v) Any information required by Section 6 of this Article.

(b) The report required by this Section shall be accompanied by any report thereon of independent accountants, or, by the certificate of an authorized Officer of the corporation that such statements were prepared from the books and records of the corporation.

Section 6 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit 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 the corporation and a natural person.

ARTICLE 9
FISCAL YEAR

Section 1 Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of July and end on the last of June in each year.

ARTICLE 10
AMENDMENTS

Section 1. Amendment by Directors. Subject to the rights of Members and the limitations imposed by California Nonprofit Corporation Law, the Board of Directors may adopt, amend, or repeal the Bylaws by an affirmative majority vote of the Board of Directors at which a quorum is present. A copy of the proposed amendment or new bylaws shall be included in the notice of meeting given to each Director.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of San Jose Downtown Property Owners' Association, a California nonprofit corporation, and the above Bylaws, consisting of 16 pages, are the Bylaws of this corporation as adopted at a meeting of the Board of Directors held on _____.

DATED: _____

[[]], Secretary

Excerpt 2017 PBID ByLaws, Section 6.3 Advisory Committees, 6.3.7 Nominating Committee, Page 6 & 7

6.3 Advisory Committees.

The Board of Directors may, by resolution, establish and appoint other committees, which shall be advisory committees and to which no authority of the Board shall be delegated. The purpose of such committees will be to consider such issues as may be assigned to them from time to time by the President, the Board of Directors and/or the Executive Committee and provide reports and/or recommendations with respect to

(a) The Nominating Committee will recruit and make recommendations to the Board of candidates for any vacancies for any of the seven (7) Board elected Director positions. The Nominating Committee will also accept nominations for candidates for any such position, and shall consider following factors (i) representation from all geographic, business and residential constituencies in Downtown Chico, (ii) balance in the skill and background of the nominees in such areas as legal, accounting, investments, corporate management, retail and real property management, and (iii) such other factors as the Nominating Committee may adopt from time to time.

(b) At the meeting of the Board of Directors in October of each year (or at such other time as the Board may determine) the Nominating Committee will make recommendations to the Board as to the process of notifying Directors and property owners within Downtown Chico the procedures to nominate a candidate to fill anticipated vacancies on the Board in the upcoming calendar year.

(c) At the meeting of the Board of Directors in October of each year (or at such other time as the Board may determine), the Nominating Committee shall submit a preliminary draft ballot of nominees to fill the vacancies, which ballot shall include the following information:

- (1) the vacancies on the Board to be filled;
- (2) the officer positions required to be filled pursuant to Article 5 of these Bylaws;
- (3) the names of all persons nominated to fill those Board and officer vacancies; and
- (4) the names of the person(s) or entities who nominated such persons

(d) During the general meeting of the Board of Directors described in Section 4.4.3 of these Bylaws, the Nominating Committee shall submit to the Board a final ballot which shall set forth updated information as set forth in subpart (c) above; the Board will then hold the election to fill the officer and director vacancies based on that final ballot.

(e) In the event any vacancies occur on the Board prior to expiration of a normal two (2) year term, the Nominating Committee may present a nominee to fill that vacancy for the balance of the term for consideration for election at the next regular Board Meeting.

DCBA BOARD OF DIRECTORS/STAFF ROSTER

[illegible]

Excerpt 2017 ByLaws, Section 4.4 Meetings, 4.4.3 General Meeting for purposes of organization, election of Directors, election of officers and transaction of other business. Page 3

4.4 Meetings.

4.4.1 All meetings of the Board of Directors, Executive Committee and all standing committees shall meet in compliance with the Ralph M. Brown Act ("Brown Act").

4.4.2 Any Board Meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if each of the following apply:

(a) Each member participating in the meeting can communicate concurrently with all other members;

(b) Each member is provided a means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to, a specific action to be taken by the Corporation; and

4.4.3 Upon compliance with applicable notice requirements, on the second Tuesday of each November, or such other date as may be set in such notice, the Board shall hold a general meeting for purposes of organization, election of Directors, election of officers and transaction of other business.

Other general meetings of the Board may be held upon notice at such time and place as the Board may fix from time to time.

4.4.4 Special meetings of the Board for any purpose may be called at any time by the Chair or a majority of the Board in a manner consistent with the Brown Act.