

BYLAWS  
OF  
MELROSE BUSINESS IMPROVEMENT ASSOCIATION  
A California Nonprofit Mutual Benefit Corporation  
December 12, 2013

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**BYLAWS  
OF  
MELROSE BUSINESS IMPROVEMENT ASSOCIATION**

**A California Nonprofit Mutual Benefit Corporation**

**ARTICLE I. OFFICES**

**SECTION 1.1        PRINCIPAL OFFICE**

The principal office for the transaction of the business of the corporation ("principal executive office") is located at 6720 Melrose Avenue Los Angeles, CA 90046. The directors may change the principal office from one location to another. 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 1.2        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 II. OBJECTIVES AND PURPOSES**

The primary purpose of the corporation is to revitalize, develop, restore, protect, promote, and maintain that portion of Melrose Avenue between Highland and Fairfax Avenues in the City of Los Angeles, California in order to make it a more successful, attractive, and popular destination for: tourists, shoppers, property owners, business owners and others. In furtherance of the foregoing purposes, from time to time, the corporation intends to enter into agreements with the City, other governmental or quasi-governmental entities, or private entities.

Nothing in this Article II or in any other Article of these Bylaws shall be construed as a limitation on the purposes or powers of the corporation. Notwithstanding any other provision of these Bylaws, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 as amended.

**ARTICLE III. DEDICATION OF ASSETS**

No part of the net earnings or assets of the corporation shall ever inure to the benefit of any director or officer of the corporation or to the benefit of any private individual whatsoever (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes).

#### **ARTICLE IV. MEMBERS**

The corporation shall have no members.

#### **ARTICLE V. DIRECTORS**

##### **SECTION 5.1      POWERS**

a. Voting and Other Rights. Any section, which would, by operation of law or otherwise, require a vote of members shall require only a vote of the directors. All rights, which would, by operation of law or otherwise, vest in the members, shall vest in the directors.

b. Corporate Powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors. 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; fix their compensation; and, require from them security for faithful service.
- ii. Conduct, manage and control the affairs and business of the corporation, and make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or with these Bylaws, as they may deem appropriate.
- iii. Change the principal executive office of the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting or meetings, including annual meetings.
- iv. Adopt, make and use a corporate seal; and, alter the form of the seal.
- v. 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 and other evidences of debt.

**SECTION 5.2****NUMBER AND SELECTION OF DIRECTORS AND RESTRICTIONS ON DIRECTORS**

- a. Authorized number. The authorized number of directors shall be not less than three (3) nor more than twenty one (21), the exact number to be fixed from time to time by a majority of the then authorized and acting directors. The initial authorized number of directors of the corporation shall be five (5) until changed by the directors. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of said director's term of office, unless a director is affirmatively removed as hereinafter provided.
- b. Staggered terms. The directors shall be divided into three (3) classes as nearly equal in number as may be. At the annual meeting of the board of directors held in 2014, a class of one (1) director shall be elected for a one (1) year term, a class of two (2) directors shall be elected for a two (2) year term, and a class of two (2) directors shall be elected for a three (3) year term. Commencing with the annual meeting of the board of directors held in 2015 and at each succeeding annual meeting of the board of directors, successors to the class of directors whose terms expire at such annual meeting shall be elected for a three (3) year term. If the number of directors is changed, any increase or decrease in directors shall be apportioned among the classes so as to maintain the number of directors comprising each class as nearly equal as possible. Any additional directors of a class shall hold office for a term that will coincide with the remaining term of the other directors of the class. Each director, including a director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.
- c. Eligibility to be a director. Each director shall be a natural person who is a commercial parcel owner (collectively "parcel owner") in good standing, or who is an authorized representative of a parcel owner in good standing, as defined below. A director need not be a resident of the State of California. Upon standing for election as a director, he or she represents that he or she meets all eligibility requirements set forth in these Bylaws. Once elected in accordance with these Bylaws, a director has no power to appoint or designate anyone else to carry out his or her rights or duties as a director, including the right to vote.
  - i. Commercial parcel owner. As used in these Bylaws, a commercial parcel owner means the owner or long-term (more than 10 years) NNN lessee of one or more parcels of real property that is included in, and assessed under, the

business improvement district managed by the corporation (each such parcel shall be referred to hereinafter as a "parcel").

- a. Authorized Representative. As used in these Bylaws, an authorized representative of a commercial parcel owner shall be:
  1. A full-time employee of the commercial parcel owner who serves with the written permission of the commercial parcel owner and has express power to make commitments on behalf of the commercial parcel owner in matters related to governing the association; or
  2. A member of the commercial parcel owner's family with the express power to make commitments on behalf of the commercial parcel owner in matters related to governing the association.
  3. For the sake of clarity, a parcel owner's authorized representative as defined above must be identified prior to his or her election as a director in accordance with these Bylaws and may not be appointed by a director after his or her election.
- ii. Good standing. As used in these Bylaws, a parcel owner is in "good standing" only if such parcel owner is not delinquent with respect to any referenced assessments relating to such parcel owner's parcel(s).
- iii. Any determination required under these Bylaws as to the identity of the parcel owners or the parcels, and as to whether a parcel owner is in good standing, shall, for purposes of a person standing for his or her initial election as a director, be based solely upon the applicable records of the County of Los Angeles as they exist at the time such determination is required, without regard to any litigation, challenge, or dispute of record or otherwise. Such determinations with respect to existing directors shall be made by the board of directors.

- d. Selection. The board of directors shall be selected as follows:
- i. Initial directors. The initial directors shall be elected by the incorporators' named in the corporation's Articles of Incorporation.
  - ii. Subsequent directors. At the expiration or earlier termination of the terms of office of the initial directors, their successors shall be chosen by a majority vote of the members of the board of directors then in office, whether or not less than a quorum, or by a sole remaining director.
  - iii. Election process. The election process for the election of directors to be held at each annual meeting of the board of directors, commencing with the first annual meeting held in 2014 shall be governed by the provisions of this Section 5.2.d.iii.
    - a. Appointment of nominating committee. By August 1 of each year, the chairman of the board shall appoint a nominating committee consisting of at least three persons who may be directors whose terms are not set to expire at the next annual meeting or other natural persons (non-directors) that will not seek nomination as a director at the next annual meeting. The nominating committee for 2014 shall consist of all of the initial directors as described above. Promptly following the appointment of the nominating committee, the chairman of the board shall cause to be distributed to each director the names of the appointees to the nominating committee. The nominating committee shall select its own chairman.
    - b. Solicitation of names for consideration. Before the end of August of each year, the nominating committee shall deliver written notice to each parcel owner of the number of directors to be elected at the next annual meeting and of such parcel owner's right to submit to the nominating committee, within not less than calendar ten (10) days, the names of persons for consideration by the nominating committee for nomination.



- c. Nomination of slate of nominees. Before the end of September of each year, the nominating committee shall nominate a number of persons for election at the annual meeting equal to the number of directors to be elected at that next annual meeting. To the extent advisable, as determined by the nominating committee, the slate of persons nominated by the nominating committee (i) shall reflect the diversity of all of the parcels in terms of their respective geographic locations (e.g. location along Melrose Avenue) and in terms of their respective uses (e.g., retail, restaurant, theater, office, school, or other use), and (ii) shall include one or more persons from the names submitted by parcel owners in accordance with subparagraph (d) of this Section 5.2. Before nominating a person, the nominating committee shall make reasonable efforts (i) to determine whether such person meets the eligibility requirements under Section 5.2.c hereof, and (ii) to interview such person to ensure that he or she is otherwise qualified (as determined by the nominating committee), and (iii) is willing to serve as a director if elected. Unless the slate of persons nominated by the nominating committee is duly contested in accordance with subparagraph (d) of this Section 5.2, such slate of persons shall be declared by the board of directors at the next annual meeting to have been duly elected.
- d. Contesting slate of nominees. Before the end of October, the nominating committee shall deliver written notice to each parcel owner of the slate of persons nominated by the nominating committee and of such parcel owner's right to nominate one or more additional persons for election by delivering to the nominating committee, within ten (10) days, a petition signed by no less than twenty parcel owners in good standing for each alternate person nominated for election. The signature of a parcel owner that owns more than one (1) parcel shall count for one (1) signature.

- e. Conduct of elections. If the slate of persons nominated by the nominating committee is duly contested in accordance with subparagraph (d) of this Section 5.2, the nominating committee shall conduct an election in the following manner: before the end of November, the nominating committee shall deliver to each parcel owner a ballot listing the nominees of the nominating committee and the additional nominees duly nominated by petition, together with a brief description of the election process. A return envelope, on which the word "ballot" is imprinted in the lower left-hand corner, shall be enclosed with each ballot mailed. Only parcel owners in good standing will be entitled to vote. Each parcel owner shall be entitled to one (1) vote per director to be elected per parcel(s) owned by such parcel owner. Cumulative voting shall not be permitted. Only official ballots received at the principal executive office before five o'clock (5:00 p.m.) on the specified voting deadline day shall be counted.
- f. Tabulation of ballots. The nominating committee shall serve as the election committee and shall meet promptly the date set forth in the last sentence of subparagraph (e) of this Section 5.2 to do the following:
1. Determine the persons that are entitled to vote;
  2. Receive and determine the validity of the ballots;
  3. Hear and determine all challenges and questions in any way arising in connection with the right to vote;
  4. Count and tabulate all votes;
  5. Determine the result; and

6. Do any other acts that may be proper to conduct the election.
7. The nominees receiving the highest number of affirmative votes up to the number of directors to be elected are elected; votes against a person and votes withheld shall have no legal effect. The chairman of the nominating committee shall announce the results of the election at the annual meeting of the board of directors.

### SECTION 5.3 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 or resignation 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 a final 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 Sections 7230 and following of the California Nonprofit Mutual Benefit Corporation Law;
  - iii. The vote of a majority of the directors then in office to remove a director;
  - iv. An increase in the authorized number of directors; or,
  - v. The failure to elect the number for directors to be elected at a meeting at which any director or directors are to be elected.
  - vi. In addition, if any director shall fail to attend three (3) consecutive regular meetings of the board of directors, without leave of absence by the president, then such director shall be deemed to have automatically resigned and the vacancy may be filled for the balance of the unexpired term by the board of directors. Any decision of the president shall be announced at the board meeting that it affects and may be reviewed by the board of directors only at the next board meeting, and at that time, if not challenged by a majority of the board then present, the decision shall be deemed reasonable, final, and not subject to subsequent review.

b. Resignations. Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the chairman of the board of directors, the president, 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. Except upon notice to the Attorney General, no director may resign when the corporation would then be left without a duly elected director or directors in charge of its affairs.

e. Vacancies Filled by Directors. Vacancies on the board of directors may be filled by the affirmative vote of a majority of the remaining directors then in office, though less than a quorum, or by the sole remaining director. Any director elected to fill a vacancy shall have the same term as that of his or her predecessor, or, if such vacancy is a result of an increase in the number of directors, as that of the other directors of the class of which he or she shall be a member.

f. No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

g. Restriction on Interested Directors. Not more than 49% of the persons serving on the board of directors at any time may be interested persons. An interested person is:

- i. Any person being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or,
- ii. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the corporation.

#### **SECTION 5.4 EX-OFFICIO AND HONORARY DIRECTORS**

The Executive Director shall be an ex-officio member of the board of directors. The Executive Director shall not be entitled to vote on any matter brought before the board of directors, nor shall she or he count toward the authorized number of directors. The president may appoint up to three (3) honorary members of the board of directors for one (1) year terms. No honorary member of the board of directors shall be entitled to vote on any matter brought before the board of directors, nor shall she or he count toward the authorized number of directors.

#### **SECTION 5.5 PLACE OF MEETINGS, MEETINGS BY TELEPHONE**

Regular meetings of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by the president / secretary. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation each month. Special meetings of the board of directors shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section 5.5, a regular or special meeting of the board of directors may be held at any place consented to in writing by all board of directors members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at each meeting.

#### **SECTION 5.6          ANNUAL MEETING**

Annual meetings of the board of directors shall be held for the purpose of organization, election of directors and officers and the transaction of other business. Annual meetings shall be held in December of each year beginning in 2014. Notice of this meeting shall not be required.

#### **SECTION 5.7          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 5.8          SPECIAL MEETINGS**

a.     Authority to Call. Special meetings of the board of directors for any purpose may be called at any time by the chairman of the board of directors, if any, the president, the vice president / secretary, or any two directors.

b.     Notice.

- i.     Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) 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; (d) by facsimile; or, (e) by e-mail. All such notices shall be given or sent to the director's address or telephone number, or facsimile number, or e-mail address as shown on the records of the corporation.
- ii.    Time requirements. Notices sent by first class mail shall be deposited into a United States mailbox at least four days before

the time set for the meeting. Notices given by personal delivery, telephone or facsimile shall be delivered, telephoned or sent at least 48 hours before the time set for the meeting.

- iii. Notice contents. The notice shall state the time and place for the meeting. It need not specify the purpose of the meeting and it need not specify the place of the meeting if it is to be held at the principal executive office of the corporation.

## **SECTION 5.9 QUORUM**

A majority of the number of directors in office shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 5.11. 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 law or the Articles of Incorporation, especially those provisions of the California Nonprofit Mutual Benefit Corporation Law 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 of 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 5.10 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, and (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 5.11 ADJOURNMENT**

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

## **SECTION 5.12 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 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 the adjournment.

### **SECTION 5.13 ACTION WITHOUT MEETING**

Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board of directors, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board of directors.

### **SECTION 5.14 REIMBURSEMENT OF EXPENSES AND COMPENSATION OF DIRECTORS**

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the board of directors to be just and reasonable.

### **SECTION 5.15 NO LIABILITY OF DIRECTORS**

No director shall be personally liable for the debts, liabilities or obligations of the corporation. The directors of the corporation shall have no liability for dues on assessments.

## **ARTICLE VI. COMMITTEES**

### **SECTION 6.1 COMMITTEES OF DIRECTORS**

The board of directors may, by motion adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board of directors. Any committee duly constituted in accordance with the foregoing sentence may invite one or more additional persons who are not directors to be members of the committee; provided that such other persons shall not have the right to vote (nor shall they vote) on any matter coming before a vote of the committee. Any committee, to the extent provided in the motion of the board of directors, shall have all the authority of the board of directors, except that no committee, regardless of board of directors' resolution, may:

- a. Take any final action on matters, which, under the California Nonprofit Mutual Benefit Corporation Law, also requires members' approval or approval of a majority of all the members;
- b. Fill vacancies on the board of directors or in any committee, which has the authority of the board of directors.



- c. Fix compensation of the directors for serving on the board directors or on any committee;
- d. Amend or repeal bylaws or adopt new bylaws;
- e. Amend or repeal any resolution or action of the board of directors;
- f. Appoint any other committees of the board of directors or the members of these committees;
- g. Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected;
- h. Except as provided in Section 5233(d)(3) of the California Corporation Code, approve any transaction;
  - i. To which the corporation is a party and one or more directors have a material financial interest; or,
  - ii. Between the corporation and one or more of its directors, or between the corporation and any person in which one or more of its directors have a material financial interest.

## **SECTION 6.2 MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article V of these Bylaws, concerning meetings of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be determined either by motion of the board of directors or by motion of the committee, and that special meetings of committees may also be called by motion of the board of directors or by motion of the committee. Notice of special meetings of committees shall also be given to all alternate members of the committee, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

## **SECTION 6.3 EXECUTIVE COMMITTEE**

The Executive Committee of the board of directors shall be composed of the president, the secretary, the treasurer, the Executive Director and any other officer appointed by the board of directors. The Executive Committee shall have the powers of the board of directors during the periods when the board of directors is not in session and such other powers as shall lawfully be delegated to it from time to time by the board of directors. All matters acted on by the Executive Committee that are usually acted on by the board of directors shall be reported to the board of directors at its next meeting.



## **ARTICLE VII. OFFICERS**

### **SECTION 7.1 OFFICERS**

The officers of the corporation shall be a president, a secretary, and a treasurer. The corporation may also have, at the discretion of the board of directors, a chairman of the board of directors, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 7.3. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as either the president or the chairman of the board of directors.

### **SECTION 7.2 ELECTION OF OFFICERS**

The officers of the corporation, except those appointed in accordance with the provisions of Section 7.3 shall be chosen by the board of directors, and each shall serve at the pleasure of the board of directors, subject to the rights, if any, of an officer under any contract of employment.

### **SECTION 7.3 SUBORDINATE OFFICERS**

The board of directors may appoint, and may authorize the chairman of the board of directors or 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 these Bylaws or determined from time to time by the board of directors

### **SECTION 7.4 REMOVAL OF OFFICERS**

Subject to the rights, if any, of an 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 of directors, or, except in case of an officer chosen by the board of directors, by an officer on whom such power of removal may be conferred by the board of directors.

### **SECTION 7.5 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 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.

### **SECTION 7.6 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 7.7 RESPONSIBILITIES OF OFFICERS

a. Chairman of the Board of Directors. If such an officer be elected, the chairman of the board of directors shall preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by these Bylaws. If there is no president, the chairman of the board of directors shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7.7(b).

b. President. Subject to such supervisory powers as may be given by the board of directors to the chairman of the board of directors, if any, the president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, generally supervise, direct and control the business and the officers of the corporation. He shall preside, in the absence of the chairman of the board of directors, or if there be none, at all meetings of the board of directors. He shall have such other powers and duties as may be prescribed by the board of directors or by these Bylaws. In the event that the president has been deemed a non-voting member of the board of directors, he/she will nonetheless be compelled by business necessity to break a tie vote of other board members.

c. Secretary. In the absence of disability of the president, the secretary, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the president and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or by these Bylaws.

In addition 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 and committees of directors, 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, and the proceedings of such meetings.
- ii. Membership Records. 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 directors, showing the names of all directors and their addresses.
- iii. Notices, Seal and Other Duties. The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by these Bylaws to be given. The secretary shall keep the seal of the corporation in safe custody. The

secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or by these Bylaws. If for any reason the secretary shall fail to give notice of any special meeting of the board of directors called by one or more of the persons identified in Section 5.8(a), then any such person or persons may give notice of any such special meeting.

- c. 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 in 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 of his transactions as treasurer and of the financial condition of the corporation; and, shall have such other powers and perform such other duties as may be prescribed by the board of directors or by these Bylaws.
  - iii. Duties of President. In the absence or disability of the president, and if there be no vice presidents or if no vice presidents are present and available, the treasurer shall perform all the duties of the president and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president.

## **SECTION 7.8 PROFESSIONAL STAFF**

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

## **ARTICLE VIII. INDEMNIFICATION AND INSURANCE**

### **SECTION 8.1 INDEMNIFICATION**

a. Right of Indemnity. To the full extent permitted by law, this corporation shall indemnify its directors, officers, employees and other persons described in Section 7237(a) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred 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 such person is or was a person described by such Section. "Expenses", as used in this Bylaw, shall have the same meaning as in Section 7237(a) of the California Corporation Code.

b. Approval of Indemnity. Upon written request to the board of directors by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporation Code, the board of directors shall promptly determine in accordance with Section 7237(e) of the Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the board of directors shall authorize indemnification. If the board of directors cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of directors who are not parties to such proceeding, the board of directors or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met.

c. Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the board of directors in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the corporation therefore.

### **SECTION 8.2 INSURANCE**

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees and other agents of the corporation, against any liability asserted against or incurred by an officer, director, employee or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

## **ARTICLE IX. RECORDS AND REPORTS**

### **SECTION 9.1 MAINTENANCE OF CORPORATE RECORDS**

The corporation shall keep:

- a. Adequate and correct books and records of account;
- b. Minutes in written form of the proceedings of its board of directors and committees of the board of directors;
- c. A record of its directors, giving their names and address. 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 9.2 MAINTENANCE AND INSPECTION BY DIRECTORS**

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. 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 and 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 9.3 ANNUAL REPORT TO DIRECTORS**

Except as provided under Section 8321 of the California Corporations Code, not later than 120 days after the close of the corporation's fiscal year, the board of directors shall cause an annual report to be sent to the directors. Such report shall contain the following information in reasonable detail:

- a. The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- d. The expenses or disbursements of the corporation for both general and restricted purposes during the fiscal year.
- e. Any information required by Section 9.4

The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

#### **SECTION 9.4 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS**

Except as provided under Section 8322 of the California Corporations Code, the corporation shall prepare annually and furnish to each director a statement of any transaction or indemnification of the following kind within one hundred twenty (12) days after the close of the fiscal year of the corporation.

a. Any transaction to which the corporation, its parent or its subsidiary was a party, and in which any director or officer of the corporation, its parent or subsidiary (but mere common directorship shall not be considered such an interest) had a direct or indirect material financial interest, if such transaction involved over fifty thousand dollars (\$50,000), or was one of a number of transactions with the same person involving, in the aggregate, over fifty thousand dollars (\$50,000).

b. Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year in any officer or director of the corporation pursuant to Article VIII hereof.

c. The statement shall include a brief description of the transaction, the names of the director(s) or officer(s) involved, their relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

#### **SECTION 9.5 CONTRACTS, ETC., HOW EXECUTED**

The board of directors, except as otherwise provided in these Bylaws, may authorize any officer or officer, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the board of directors, 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 in any amount. Notwithstanding the foregoing, the aggregate dollar amount of contracts entered into by the corporation in respect of any year shall not exceed the corporation's total income for that year.

#### **SECTION 9.6 REPRESENTATIONS OF SHARES OF OTHER CORPORATIONS**

The president, the vice president, and the secretary or any assistant secretary are authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted to said officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by such officers.



## **ARTICLE X. 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 a natural person, corporation, partnership, joint venture, trust or other entity.

## **ARTICLE XI. AMENDMENTS**

Except as otherwise provided in these Bylaws, the board of directors may adopt amend or repeal Bylaws, provided that, if any provision of these Bylaws requires the vote of a larger proportion of the directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of directors.

\*\*\*\*\*

(Intentionally Blank)

### CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of the MELROSE BUSINESS IMPROVEMENT ASSOCIATION, a California nonprofit mutual benefit corporation, and the above Bylaws, consisting of 21 pages, are the Bylaws of the Corporation as adopted at a meeting of the board of directors held on December 13, 2013 and ratified on \_\_\_\_\_.

Signed: Sylvia Weintraub Dated: 1-10-14  
Sylvia Weintraub



**CITY OF LOS ANGELES**

Office of Finance

P.O. Box 53200

Los Angeles CA 90053-0200



\*\*\*\*\*AUTO\*\*ALL FOR AADC 913 35  
MELROSE BUSINESS IMPROVEMENT ASSOCIATION  
1934 WILSON AVE  
ARCADIA CA 91006-1744

10329

1934 WILSON AVENUE  
ARCADIA, CA 91006-1744

THIS CERTIFICATE MUST BE POSTED AT PLACE OF BUSINESS

**CITY OF LOS ANGELES TAX REGISTRATION CERTIFICATE**THIS CERTIFICATE IS GOOD UNTIL SUSPENDED OR CANCELLED  
**BUSINESS TAX**

ISSUED: 1/6/2014

ACCOUNT NO.	FUND/CLASS	DESCRIPTION	STARTED	STATUS
0002718364-0001-5	L049	Professions/Occupations	1/1/2014	Active

ISSUED TO

\*\*\*\*\*AUTO\*\*ALL FOR AADC 913  
MELROSE BUSINESS IMPROVEMENT ASSOCIA  
1934 WILSON AVE  
ARCADIA CA 91006-1744

1934 WILSON AVENUE  
ARCADIA, CA 91006-1744



ISSUED BY:

*Antoinette D. Christensen*

DIRECTOR OF FINANCE

ISSUED FOR TAX COMPLIANCE PURPOSES ONLY  
NOT A LICENSE, PERMIT, OR LAND USE AUTHORIZATION

FORM 500 (01/12)

NOTIFY THE OFFICE OF FINANCE IN WRITING OF ANY CHANGE IN OWNERSHIP OR ADDRESS - Office of Finance, P.O. Box 53200, Los Angeles CA 90053-0200  
IMPORTANT - READ REVERSE SIDE