

BYLAWS
OF THE
CENTRAL COMMERCIAL DISTRICT REVITALIZATION CORPORATION
A CALIFORNIA PUBLIC BENEFIT CORPORATION

ARTICLE I

OFFICES

The principal office of this Corporation for the transaction of its business shall be located in San Diego County, California, at such address as shall be designated by the Board of Directors from time to time. The Board of Directors may establish such additional offices as the business of this Corporation may require from time to time.

ARTICLE II

OBJECTIVES AND PURPOSES

The primary objectives and purposes of this Corporation shall be:

- (a) To bring about the revitalization of Sherman Heights and Logan Heights and their related commercial corridors in the City of San Diego and their surrounds.
- (a) To bring about the investment of private and public capital within the Central Commercial District and its surrounds for public benefit and charitable purposes.
- (a) To bring about the increased provision of quality public improvements and educational, cultural, artistic, charitable and social services within the Central Commercial community and its surrounds for public benefit and charitable purposes.
- (a) To bring about the increased economic well-being of property owners, residents, employees and businesses within the Central Commercial District and its surrounds.
- (a) To provide improvement and activities that confer special benefit to real property owners in the Central Commercial District, as well as economic development and commercial revitalization within the District and the surrounding community. Improvements and activities include implementation of cleanliness, safety and beautification programs as well as any other related activities which will directly improve the economic prosperity of the business and residential community within the Central Commercial District.

ARTICLE III

MEMBERSHIP AND PARTICIPATION

Section 3.01 Members. The members of this Corporation shall be the owners from time to time of parcels of real property that constitute the Central Commercial Maintenance Assessment District of the City of San Diego (hereinafter referred to as “the District”), such parcels being initially determined by Resolution of the City Council of the City of San Diego on August 8, 2000, and as may be amended by any subsequent Resolution of such Council.

Section 3.02 Eligibility to Vote. Each parcel subject to assessment under Resolutions of the City Council shall, if in good standing, be entitled to one vote for each director position in each election of directors and on any other ballot issue. To be in good standing, the owners of such parcel shall be current in the payment of assessments of the District and be in compliance with all rules duly adopted by the Board of Directors on the record date for voting. The record date for voting shall be 20 days before the date ballots are to be circulated at the direction of the Board of Directors. The Secretary of this Corporation shall ascertain the status of assessment collections and notify any Member at least 10 days before the record date who is not eligible to vote, with the opportunity to correct the record prior to the record date.

Section 3.03 Method of Voting. Voting by Members shall be by written ballot on forms provided by the Secretary of this Corporation. A Member may, by power of attorney, an approved form for which shall be available from the Secretary, designate any other person to execute a ballot on behalf of the Member. In the case of a corporation or other entity, the ballot may be executed by an officer of the corporation or similar official of such other entity. In the case of multiple owners of a parcel the Secretary shall send the ballot to the address of record for assessments unless specific written instructions are received by the Secretary signed by all owners of the parcel. The Secretary may assume that any person presenting the ballot on behalf of a parcel with multiple owners or with an entity ownership is duly authorized by the other owners or entity governing body, unless the Secretary receives notice of a dispute, in which case none of the owners of such parcel shall be permitted to submit a ballot until all agree or until the Secretary is able to ascertain which of the disputants have a majority ownership in the parcel, in which case the Secretary may accept a ballot signed by the owners of such parcel holding a majority of the ownership interests. A ballot which casts more votes for directors than there are positions to be filled by that ballot shall be voided for that election. A ballot which is ambiguous as to its intended vote on any candidate or ballot issue shall not be counted with respect to that candidate or issue. At a meeting of the Members, a quorum for the conduct of business is established if 10 per cent of the Members interests are present or represented in person.

Section 3.04 Open Meetings . All meetings of the Board of Directors and its committees shall be open to attendance by any Member or duly authorized representative of a Member, but only the directors or duly appointed committee members shall have the right to vote in the proceedings of the Board of Directors or its committees. The Board of Directors shall afford those who attend meetings of the Board of Directors an opportunity before, during or after the meeting to voice their concerns, questions and opinions, but the Board of Directors and its committees shall provide reasonable limits to such participation consistent with the time constraints of the meeting for such participation. Written communications received before such meetings shall be circulated among the directors or committee members before votes are taken, as time permits, or if received too late for adequate review by all voting participants, shall be summarized as time permits during the meeting. Members and their representatives shall be encouraged to notify the Secretary of this Corporation or the chairperson of the committee in advance of the meeting if they wish to make a presentation to the meeting. Reasonable time allocations, considering the circumstances, shall be made to accommodate such Members or their representatives. The Board of Directors shall have the authority to exclude any person from attendance at any meeting if such person has no reasonable relationship to the District. For the purposes hereof, it is expected that persons who lease property in the District, who reside within the District or very close to the District, who operate businesses within the District and who are employed within the District would have a reasonable relationship to the District. Representatives of the media shall be welcome.

Section 3.05 Executive Sessions. Notwithstanding the general policy of this Corporation in favor of open meetings, in the event that issues are to be discussed at any meeting of the Board of Directors or of one of its committees that relate to personnel matters, sensitive contract negotiations in which this Corporation's negotiating strategy is to be discussed or matters that appear to be potential, threatened or pending litigation, the Board of Directors or such committee may, by majority vote of those present with voting power at that meeting, close that portion of the meeting to all but directors and members of the committee then meeting. In the event a director or a member of such committee is a potential or actual litigant against the District or this Corporation, the Board may exclude that director or committee person from the executive session. Minutes of such sessions shall be kept confidential until such issue is no longer sensitive and shall be filed by the Secretary of this Corporation in a separate confidential file until that time.

Section 3.06 Notices of Meetings and Activities. The Board of Directors shall make reasonable efforts to keep the community informed of the time and place of Board meetings, their expected agendas and the actions taken. Such information may be disseminated through the publication of minutes, newsletter summaries or notices posted in selected locations in the District, and when feasible, through the maintenance of a World-Wide Web bulletin board. When sufficiently important, the Board of Directors shall cause mailings to be made to all Members and to others who request such information. The Board of Directors may require reasonable fees to be paid to cover the printing and mailing of newsletters and minutes to those who request such service who are not Members.

ARTICLE IV

DIRECTORS

Section 4.01 Number and Qualifications. (a) This Corporation shall be governed by a Board of Directors that has a minimum of seven (7) and a maximum of thirteen (13) members (“the directors”). Within such limits, the number of directors may be changed by a majority vote of the Board of Directors. Directors must be at least 18 years of age and be owners of parcels within the District, or be the designated representatives of such parcel owners, that have fully paid all current assessments on each and every parcel within the District owned by such director or by the owner(s) who designated such director. A person who is an interested person within the meaning of Section 4.07 below, shall not be eligible to be a director. A director who is a parcel owner or designated representative of such a parcel owner within the District is disqualified from serving as a director if such parcel becomes in default on an assessment by the District. Such director shall remain disqualified to serve until such default is cured or unless such director is not an owner, directly or indirectly, of such parcel and another parcel owner within the District that is in good standing designates such director as his, her or its representative. If neither the default is cured within 30 days after notice from the Secretary of this Corporation of the default nor an alternative designation is delivered to the Secretary within that period of time, the director position shall be declared vacant by the Secretary and such vacancy may be filled by the Board of Directors or the position may be left vacant until the next election.

Section 4.02 Powers of the Director. Subject to the provisions of the California Nonprofit Public Benefit Corporation law, and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the Members, if any, of this Corporation, the activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. In exercising the foregoing powers, the Board is empowered to contract with, render professional services to, utilize and cooperate with the City of San Diego (“the City”) in developing, implementing and administering projects and programs consistent with and in furtherance of the purposes set forth in the Ordinance establishing the District, including without limitation, the preparation and submission of plans, goals, reports, schedules, assessments, estimates, budgets and financial statements which may be required by the City and the implementation of the purposes of the District and otherwise enhancing the community which includes the District.

Section 4.03 Duties of Directors. It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Corporation or by these Bylaws;

- (b) Appoint and remove, employ and discharge and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of this Corporation;
- (c) Prescribe the duties and assign tasks to the officers and agents, receive report
- (d) from the officers and agents of this Corporation and decide matters of policy and plan this Corporation's activities, and to intervene when they become aware that any officer or agent is not performing his or her duties as required by the Board;
- (e) Meet at such times and places as is required by these Bylaws or as necessary to properly carry out the responsibilities of the Board of Directors, and
- (f) Keep the Secretary of this Corporation informed of addresses and contact information to efficiently receive notices of meetings mailed, faxed or e-mailed to them, notices sent to the latest such address as directed by each director to be deemed valid notice.

Section 4.04 Election of Directors. (a) The directors selected by the Incorporator of this Corporation in accordance with the instructions of the organizing committee shall serve until the first annual election, which shall be set by the Board of Directors to be held within 18 months following incorporation of this Corporation.

(b) The election of directors shall be conducted by mail ballots to be counted at the conclusion of the annual meeting each year. A Member does not need to attend the meeting to vote, but may submit the ballot by mail, by delivery by an agent, or by being present at the meeting.

(c) At least 60 days before the annual meeting of the Members, the President of this Corporation shall appoint a Nominating Committee of at least three persons, only the chairperson of which must be a director. The Committee shall publicize its task to the community and shall interview directors whose positions are up for re-election to determine if they are willing to stand for re-election. The Committee shall also contact other Members who are known to have expressed interest in being on the Board to learn of other possible candidates for the Board and provide such persons with the necessary information for seeking Board seats and the election procedure. The Committee shall endeavor to report a slate of at least a number of candidates for the Board as there will be positions to be elected at the meeting and to encourage candidates to stand for office from geographically diverse portions of the District. It shall not be the function of the Committee to limit the number of persons to be placed on the ballot, but only to endeavor to obtain the names of candidates and inform them of the procedure. The Nominating Committee shall ascertain that each candidate is eligible to serve and shall identify to the Secretary and the Board the names of any candidates who are not eligible.

(d) Upon receipt of such list from the Committee, the Secretary of this Corporation shall provide the list of candidates as a part of the meeting notice to Members, which shall be mailed at least 30 days before the annual meeting by first-class mail and include the statement that additional candidates may be nominated by contacting the Secretary and completing and filing with the Secretary a nominating petition at least 15 days before the meeting. Any person qualified to be a director who was not included in the Nominating Committee listing may request that his or her name be on the ballot as a candidate for director by submitting to the Secretary a petition statement of his or her willingness and confirming his or her eligibility signed by Members owning at least five parcels or one percent of the assessment roll of the District who are eligible to vote in the election. The Secretary shall provide a form for such petition upon request. If the Board determines a candidate is not eligible, the candidate shall be given notice of such determination with an opportunity to appeal that determination to the Board. From each candidate, the Secretary shall request a one-page statement of identification, experience, qualifications for the position and a statement of campaign positions or issues of concern to assist Members in making voting decisions among them. Such one-page statements received by the Secretary at least 12 days before the meeting shall be copied and distributed together with the ballot for the election by the Secretary of this Corporation at this Corporation's expense to all Members eligible to vote at least 10 days before the meeting. If the Board has determined, based on the criteria of these Bylaws relating to the qualifications to be a director, that a candidate is not eligible to serve, that name shall be omitted from the ballot and the mailing of that candidate's statement shall also be omitted from the mailing.

(e) The Treasurer of this Corporation shall confirm the eligibility of each candidate upon the request of the Secretary upon receipt of the report of the Nominating Committee and the nominating petitions. If a candidate is not eligible, the Secretary shall promptly notify the candidate of the reason therefor.

(f) The ballots shall also include any proposal submitted to the Members by the Board of Directors or submitted for a vote of the Members upon petition signed by Members in good standing who own 35 parcels or 15 percent of the assessment roll of the District who are eligible to vote in the election. Any such proposal must be submitted to the Secretary at least 20 days before the meeting. If received later, such proposal shall be voted upon only if approved by the Board of Directors. Any such proposal shall, unless specifically stated otherwise as a part of the proposal, be deemed to be a non-binding vote to advise the Board of Directors on the consensus of the Members.

(g) The Secretary is authorized to circulate either with the notice of the meeting or with the ballots any annual report and/or any other materials authorized by the Board of Directors.

Written ballots shall be mailed by first-class mail to all parcel owners of record as of the record day. In order for a ballot to be counted it must be properly authenticated and received in a timely manner. Ballots may be hand delivered to the Corporation's principal office until 5:00 p.m. on the day before the election date designated by the

Board or delivered by mail to the principal office with a postmark not later than two days prior to the date designated by the Board.

(h) The President of this Corporation shall appoint three inspectors of election to receive and count the ballots, which shall not be made known by the inspectors until the voting is completed at the meeting, one of whom shall be appointed Chief Inspector of Election. There shall be no cumulative nor proxy voting. The owners of each parcel shall cast one vote per parcel for any particular director position and may cast as many votes as there are positions to be filled, provided however, no one may cast more than one vote for any one candidate. The counting of ballots shall be in accordance with weighted voting in accordance with the percentages of the total assessments made by the Tax Collector for the District. Candidates for director receiving votes from the highest aggregate amount of such percentages of the total District assessment shall be elected. Write-in candidates are not permitted unless there is an insufficient number of candidates to fill all the positions. If a ballot casts more than one vote for any one candidate or casts more votes than there are seats available, that ballot will be invalid and shall not be counted. Ties will be resolved at the annual Board of Directors meeting convened after the annual Members meeting. The election results shall be posted at the place of the meeting promptly after completion of the count, which shall be certified to be accurate by the Inspectors of Election.

(i) At the annual meeting of the Board of Directors, the Secretary shall present the Certificate of Election. If any vacancies have not be filled, such vacancies shall be filled at the discretion of the Board of Directors.

Section 4.05 Terms of Office. (a) Each director shall hold office until the next annual meeting for election of the Board of Directors as specified in these Bylaws, and until his or her successor is elected and qualifies.

(b) The Members shall elect approximately one-third of the authorized directors at the first election, who shall serve for terms of three (3) years or until their successors are elected at the fourth annual meeting. Approximately one-third of the authorized directors at the first election shall serve for terms of two (2) years or until their successors are elected at the third annual meeting. Approximately one-third of the authorized directors at the first election shall serve for terms of one (1) year or until their successors are elected at the next annual meeting. The initial number of nine directors have their terms allocated as follows: the three recipients of votes receiving the most votes will serve three-year terms; the next three will serve two-year terms and the remaining three will serve one-year terms. There shall not be term limits for election to the Board of Directors. In the event of a tie vote, the Board of Directors shall designate the term by negotiation or arbitrary means. Elected directors shall take office at the annual meeting of the Board of Directors, following their election.

Section 4.06 Compensation of Directors. Directors shall serve without compensation.

Section 4.07 Restriction Regarding Interested Directors. Notwithstanding any other provision of these Bylaws, no person serving on the Board may be an interested person. For purposes of this Section, "interested person" means:

- (a) Any person currently being compensated by this Corporation for services rendered for this Corporation or who was so compensated for services rendered within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise; or
- (b) Any person who has an ownership interest, brokerage-fee interest, finder's-fee interest, consulting relationship or is an employee of, or serves as a member of the board of directors of, or has a domestic-partner relationship with, an independent contractor that has provided services or materials to this Corporation within the previous twelve (12) months; or
- (c) 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. For the purposes hereof, a half-relation (e.g., step-son or half-brother) shall be deemed to be the same as the full relation.

It shall be deemed inappropriate for a director to vote on a contract or commitment in which he or she has a significant relationship with the contractor, short of being an interested person, without disclosing such relationship before the vote is taken. Such relationships shall be recorded in the minutes of such a meeting and shall be included in the text of any written consent taken without a meeting to demonstrate that all directors voting on the matter were informed of the relationship. It is not required that such a director refrain from voting on a matter after making such a disclosure.

Section 4.08 Place of Meetings. Meetings shall be held at the principal office of this Corporation unless otherwise provided by the Board of Directors, or at such place within the County of San Diego that has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of this Corporation shall be valid only if held on the written consent of all directors given either before or after the meeting and filed with the Secretary of this Corporation or after all directors have been given written notice of the meeting as hereinafter provided for special meetings of the Board of Directors. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another.

Section 4.09 Regular and Annual Meetings. Regular meetings of the Board of Directors shall be held at the time designated by the Board. The Board of Directors shall endeavor to meet on a regularly scheduled day and time at least four times per year.

Section 4.10 Special Meetings. Special meetings of the Board of Directors may be called by the President, the Vice-President, the Secretary or by any two directors, and such meetings shall be

held at such place within the County of San Diego currently approved by the Board of Directors as a meeting place and designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of this Corporation.

Section 4.11 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, fax or e-mail. If sent by mail, fax or e-mail, the notice shall be deemed to be delivered on its deposit in the mails or on its transmission. Such notices shall be addressed to each director at his or her address as shown on the books of this Corporation unless a different address is given by the director to the Secretary of this Corporation. In the event the sender is unable to complete transmission by fax or e-mail to a director, the sender shall attempt alternative instant message facilities. It shall be sufficient notice if the notice is left as voice mail on the director's telephone system. If telephone and fax are not answered and an e-mail address is either not available or is rejected by the director's Internet server, notice shall not be deemed received without personal delivery of the notice to the last known street address of the director in the County of San Diego. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than 48 hours from the time set for convening the original meeting. Notice shall be given of any adjourned regular or special meeting to directors absent from the original meeting if the adjourned meeting is held more than 48 hours from the time set for convening of the original meeting, but such notice shall be effective if sent by voice mail, e-mail, fax or personal delivery 24 hours before the meeting.

Section 4.12 Contents of Notice. Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting and the purpose of such meeting to the extent it is known at the time of the preparation of the notice. It shall be sufficient for such purpose to be expressed in terms of the subject matter and the expected proposal for action to be taken.

Section 4.13 Vote of Directors. Each director may cast one vote on any question or proposition to be voted on at a meeting or by written consent. Votes may not be cast by proxy.

Section 4.14 Rules and Regulations. The Board of Directors shall have power to make such reasonable rules and regulations and policies not inconsistent with these Bylaws. Such rules and regulations may include policies under which this Corporation can assist needy Members on whom the District assessment causes inordinate burdens, by which the eligibility to vote at Member meetings and to serve on the Board of Directors may be preserved due to economic hardship, conflict of interest disclosure provisions, decision-making policies, bidding and contracting procedures, as well as the determination of the authority of committees and task forces appointed by the Board.

Section 4.15 Quorum for Meetings. A quorum of the Board of Directors shall consist of a majority of the directors in office. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such a meeting is a motion to adjourn. A majority of the directors present at such a meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board. Once the quorum has been met at a given Board meeting, the Board may continue to conduct business and take action, even though the number of directors present is less than the number required to establish a quorum, as long as the number of directors present equals the threshold necessary to have approved action items at the time the quorum was established.

Section 4.16 Conduct of Meetings. Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, by the President of this Corporation or, in his or her absence, by the Vice-President or, in the absence of all such persons, by a chairperson chosen by a majority of the directors present at the meeting. The Secretary of this Corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting. Meetings shall be governed by Roberts Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation or with provisions of applicable law.

Section 4.17 Action by Two-Thirds Written Consent Without Meeting. Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if two-thirds of the directors in office shall individually or collectively consent in writing to such action. In the event such authority is exercised, it shall be publicized in the same manner as minutes of meetings are distributed.

Section 4.18 Vacancies. Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director and (2) whenever the number of authorized directors is increased. The Board of Directors may declare vacant the office of a director who has been declared incompetent by a final order of court or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following sections of the California Corporations Code. Any director may resign effective upon giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. Vacancies on the Board may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws or (3) a sole remaining director. A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his or her death, resignation or removal from office. At

the next election, the Members shall elect a director to serve the remaining term of the director whose position was vacated.

Section 4.19 Non-Liability of Directors. The directors shall not be personally liable for the debts, liabilities or other obligations of this Corporation.

Section 4.20 Indemnification by Corporation of Directors, Officers, Employees and Agents.

To the extent that a person who is, or was, a director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she had acted or failed to act in such capacity, or has been successful in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection with such proceeding. If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this Corporation, but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Corporations Code.

Section 4.21 Insurance for Directors, Officers and Agents. The Board of Directors may authorize the purchase and maintenance of insurance on behalf of directors, officers, employees and other agents of this Corporation against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Corporations Code) asserted against or incurred by any person in such capacity or arising out of the person's status as such, whether or not this Corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Corporations Code.

ARTICLE V

OFFICERS

Section 5.01 Number of Officers. The officers of this Corporation shall be a President, a Vice-President, a Secretary and a Chief Financial Officer, who shall be designated the Treasurer. This Corporation may also have, as determined by the Board of Directors, a Chairperson of the Board, additional Vice-Presidents, Assistant Secretaries, Assistant Treasurers and such other officers with such duties as the Board of Directors shall determine. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve as the President or Chairperson of the Board.

Section 5.02 Qualification, Election and Term of Office. Any person may serve as an officer of this Corporation if such person is an adult and is not an interested person within the meaning of Section 4.07 above. Officers shall be elected by the Board of Directors, from time to time, and each officer shall hold office until he or she resigns or is removed

or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 5.03 Removal and Resignation of Officers. Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any may resign at any time by giving written notice to the Board or to the President or Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.04 Vacancies. Any vacancy caused by the death, resignation, removal, disqualification or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 5.05 Duties of the President. The President shall be the chief executive officer of this Corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of this Corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation and by these Bylaws and that may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, he or she shall preside at all meetings of the Board of Directors and of the Members. Except as otherwise expressly provided by law, by the Articles of Incorporation or by these Bylaws, he or she shall, in the name of this Corporation, execute such deeds, mortgages, bonds, contracts, checks or other instruments that may from time to time be authorized by the Board of Directors.

Section 5.06 Duties of the Vice-President. In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President 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 on, the President. The Vice-President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation and by these Bylaws and as may be prescribed by the Board of Directors.

Section 5.07 Duties of the Secretary. The Secretary shall:

(a) Certify and keep at the principal office of this Corporation the original, or a copy of these bylaws as amended or otherwise altered to date.

(b) Keep at the principal office of this Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of Members, recording therein the time and place of holding thereof, whether regular or special, how called, how notice thereof was

given, the names of those present or represented at the meeting, and the proceedings thereof.

(c) See that, or ascertain whether, all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(d) Be custodian of the records and of the seal of this Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of this Corporation under its seal is authorized by law or these Bylaws when so requested.

(e) Keep at the principal office of this Corporation a membership book containing a recent list obtained from the County Tax Collector of the names and addresses of the Members and their scheduled assessment amounts for the District and, in the case in which any privilege of membership has been suspended, a recent list of those suspended, together with the reasons for such suspension.

(f) Exhibit at all reasonable times to any director or Member of this Corporation, or to his or her agent or attorney, on request therefor, the Bylaws, such membership lists and the minutes of the proceedings of the directors of this Corporation, subject to the limitations set forth in Article VIII of these Bylaws.

(g) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation and by these Bylaws, and which may be assigned to him or her from time to time by the Board of Directors.

Section 5.08 Duties of the Treasurer. Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

(a) Have charge and custody of, and be responsible for, all funds and securities of this Corporation, and deposit all such funds in the name of this Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors.

(b) Receive, and give receipt for, monies due and payable to this Corporation from any source whatsoever.

(c) Disburse, or cause to be disbursed, the funds of this Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

(d) Keep and maintain adequate and correct accounts of this Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

(e) Exhibit at all reasonable times the books of account and financial records to any director or Member of this Corporation, or to his or her agent or attorney, on request therefore, subject to the terms of Article VIII of these Bylaws.

(f) Render to the President and Board of Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of this Corporation.

(g) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports, including cooperation with independent public accountants engaged to audit the records of this Corporation.

(h) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of this Corporation and by these Bylaws, and which may be assigned to him or her from time to time by the Board of Directors.

ARTICLE VI

COMMITTEES

Section 6.01 Executive Committee. The Board of Directors may, by a majority vote of directors, designate two or more of its members (who may also be serving as officers of this Corporation) to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of this Corporation, except with respect to the filling of vacancies on the Board or on any committee which has the authority of the Board and the appointment of committees of the Board or the members thereof. The Board may at any time revoke or modify any or all of the authority delegated to the Executive Committee, increase or decrease, but not below two (2), the number of its members, and fill vacancies therein from among the directors. The Executive Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records and report the same to the Board promptly following its deliberations.

Section 6.02 Other Committees and Task Forces. This Corporation shall have such other committees, and task forces as may from time to time be designated by resolution of the Board of Directors. Such other committees and task forces may consist of persons who are not also directors, but a director shall be appointed to and chair each committee. In the absence of specific delegation of authority, such additional committees and task forces shall act in an advisory capacity only to the Board and shall, when appropriate, be titled as “advisory” committees.

Section 6.03 Committee Procedure and Meetings. Meetings and action of committees and task forces shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board or by the committee. The Board of Directors may also adopt rules and regulations

pertaining to the conduct of meetings of committees and task forces to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE VII

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 7.01 Execution of Instruments. The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of this Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of this Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind this Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount. No contract shall be authorized by this Corporation with any person who (i) is or was a director or domestic partner of a director of this Corporation within the prior 12 months, (ii) is related to any such director or domestic partner in a relationship listed in clause (c) of Section 4.07 of these Bylaws or (iii) is an entity owned in whole or in part, directly or indirectly, by such a director or relation or domestic partner of such a director.

Section 7.02 Checks and Notes. Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money and other evidence of indebtedness of this Corporation shall be signed by the Treasurer and countersigned by the President or the Secretary.

Section 7.03 Deposits. All funds of this Corporation shall be deposited from time to time to the credit of this Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 7.04 Gifts. The Board of Directors may accept on behalf of this Corporation any contribution, gift, bequest or devise for the charitable or public purposes of this Corporation.

ARTICLE VIII

CORPORATE RECORDS, REPORTS AND SEAL

Section 8.01 Maintenance of Corporate Records. This Corporation shall keep at its principal office in the County of San Diego the following items:

(a) Minutes of all meetings of directors, committees of the Board of Directors and Members, indicating the time and place of holding such meetings, whether regular or

special, how called, the notice given, and the names of those present and the proceedings thereof;

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;

(c) A recent listing of its Members, as obtained from the County Tax Collector or the County Recorder, indicating their names and addresses; and

(d) A copy of this Corporation's Articles of Incorporation and these Bylaws as amended to date, which shall be open to inspection by Members and their representatives at reasonable times during office hours.

Section 8.02 Corporate Seal. The Board of Directors may adopt, use and alter a corporate seal. Such seal shall be kept at the principal office of this Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 8.03 Directors' Inspection Rights. Except as provided by law, every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of this Corporation. The inspection rights of a director do not include the right to demand that any officer, employee or agent of this Corporation prepare documents or do analysis specifically at the request of such director, any such request being only properly directed by the Board of Directors as a whole.

Section 8.04 Members' Inspection Rights. Each Member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a Member:

(a) To inspect the most recent record of Members' names and addresses in the possession of the Secretary of this Corporation, as obtained from the County Tax Collector or the County Recorder, at reasonable times, upon five business days' prior written demand on this Corporation, which demand shall state the purpose for which the inspection rights are requested. Upon payment of a reasonable charge, a Member may obtain a copy of such listing indicating the tax parcel identifications and District assessments as of the most recent record date for voting, together with a listing of any Members who are unable to exercise voting rights at the election, if pertinent. The membership list shall be made available within ten business days after the demand is received by the Secretary. Because the same listing is available from County records, the Secretary is not required to prepare any listing not already held by him or her at the time of the request.

(b) To inspect at any reasonable time the books, records, contracts, agreements or minutes of proceedings of the members or of the Board of Directors or committees of the Board, upon written demand on this Corporation by the Member, for a purpose reasonably related to such person's interests as a Member; provided however, that the

Board of Directors may segregate from such records information protected as relating to any person's privacy or which is proprietary in nature or which relates to potential, threatened or pending litigation and information which would compromise this Corporation's contract negotiations. The officers of this Corporation are not obligated to prepare information at the request of a Member which is not already assembled or to perform any analysis at the request of a Member.

Section 8.05 Right to Copy and Make Extracts. Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts at the expense of the person making the inspection. The Board of Directors may set a rate of compensation per page for preparing copies at the request of the party inspecting.

Section 8.06 Annual Report. The Board of Directors shall cause to be prepared an annual report not later than 120 days after the close of this Corporation's fiscal year. The report shall be distributed to all directors and to any Member who requests it in writing, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including trust funds, of this 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 this Corporation, both unrestricted and restricted to particular purposes, for the fiscal year; and
- (d) The expenses or disbursements of this Corporation, for both general and restricted purposes, during the fiscal year.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of this Corporation that such statements were prepared without audit from the books and records of this Corporation. The officers of this Corporation may include with such financial information a narrative statement regarding the program accomplishments and plans of this Corporation and of the District.

ARTICLE IX

FISCAL YEAR

The fiscal year of this Corporation shall begin on the July 1 and end on June 30 in each year.

ARTICLE X

AMENDMENT OF BYLAWS

Subject to any provision of law applicable to the amendment of Bylaws of a California nonprofit public benefit corporation, these Bylaws, or any of them, may be altered, amended or repealed and new Bylaws adopted by approval of a majority of the directors of this Corporation then in office, such change being approved at two meetings of the Board of Directors at least 21 days apart with notice of such action at the first such meeting being given to all the directors within 10 days after such meeting; provided, however, that any change to Sections 4.04 through 4.07 or 7.01 of these Bylaws shall not be effective without the approval of the Members.

ARTICLE XI

AMENDMENT OF ARTICLES

The Articles of Incorporation of this Corporation may be amended by the approval of the Board of Directors and, if required, by the approval of the Members as provided for in the California Nonprofit Public Benefit Corporations law.

ARTICLE XII

PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No Member, director, officer, employee or other person connected with this Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of this Corporation; provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for this Corporation in effecting any of its public benefit or charitable purposes if such compensation is otherwise not prohibited by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of this Corporation. All Members, if any, of this Corporation shall be deemed to have expressly consented and agreed that, on such dissolution or winding up of the affairs of this Corporation, whether voluntarily or involuntarily, the assets of this Corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this Corporation and not otherwise.