

**By-Laws
of the
Noe Valley Association
(a Community Benefit District)**

A California Public Benefit Corporation

ARTICLE I - OFFICES

Section 1.01. Principal Office: The principal office of the corporation for the transaction of its business is located in the City and County of San Francisco, California and the Noe Valley Neighborhood which is bounded by Twenty-first Street, Liberty Hill and Dolores Heights on the north, Fair Oaks and Dolores Streets to Bernal Cut on the east, Thirtieth Street, Fairmont Heights and Diamond Heights on the south, and Grandview Street and Twin Peaks on the west.

Section 1.02. Change of Address: The county and the neighborhood within the county of the corporation's principal office can be changed only by amendment of these By-Laws and not other-wise. The Board of Directors may, however, change the principal office from one location to another within the County of San Francisco and the neighborhood of Noe Valley. Any such change shall be noted by the Secretary in these By-Laws, as an attachment thereto, but shall not be considered an amendment of these By-Laws.

ARTICLE II - SPECIFIC PURPOSE & OBJECTIVES

Section 2.01. Specific Purpose: The specific purpose of this corporation is threefold:

- 1) To bring about the cleanliness, beautification, security and promotion of the Noe Valley Community Benefit District and its surrounds;
- 2) To bring about the investment of private and public capital within the Noe Valley Community Benefit District and its surrounds for public and charitable purposes; and
- 3) To bring about the increased provision of quality public improvements within the Noe Valley Community Benefit District and its surrounds.

Section 2.02. Objective: The objective of this corporation is to improve the image and economic vitality of the Noe Valley Twenty-fourth Street Commercial Corridor, also known as 'Downtown Noe Valley', and its surrounds. To accomplish this objective the corporation will create, manage and implement programs consistent with the specific purpose set forth above, and that maximize coordination with the City and County of San Francisco and the San Francisco Board of Supervisors to supplement base level services, leverage resources, and deliver through a cost-effective and an assessable organizational structure which provides accountability to district members.

ARTICLE III - CONSTRUCTION

Section 3.01. Rules of Construction: 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 By-Laws.

Section 3.02. Government Codes: This corporation is formed in compliance with the California Government Code, Section 53750-53754, (Proposition 218) and the San Francisco Business and Tax Regulations Code, Article 15, Section 1511(f).

Section 3.03. Final Plan - Ballot Measure: This corporation is, further, formed in compliance with the Noe Valley Community Benefit District Management District Plan, San Francisco, California, (hereafter 'Final Plan') submitted on May 24, 2005, and approved by the qualified voters in accordance with Government Codes referenced above.

ARTICLE IV NOE VALLEY ASSOCIATION DEFINED

Section 4.01. Defined: The "Noe Valley Association", AKA: Noe Valley Community Benefit District, (hereafter referred to as the "District") is a nonprofit Public Benefit Corporation and includes that certain geographical territory of the City and County of San Francisco described and delineated in that certain map which is attached hereto and incorporated herein by reference, as Exhibit 1.

ARTICLE V - MEMBERSHIP

Section 5.01. No Members: This Corporation shall have no members, as that term is defined in section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Public Benefit Corporation Law, any action which would otherwise require approval by a majority of all members shall require only approval of the Board of Directors. All rights, which would require approval by a majority of all members shall require only approval of the Board of Directors. All rights which would otherwise vest in the members shall vest in the Board of Directors. Nothing in these By-Laws shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation as "members" even though such persons are not members, as defined in section 5056 of the California Corporations Code. Such persons shall be deemed to be associated persons with respect to the corporation as that term is defined in section 5332 of the California Nonprofit Public Benefit Corporation Law, and no such reference shall constitute anyone as a member of this Corporation.

Section 5.02. Determination of Members: If this corporation makes no provision for members, then, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provision of the Articles of Incorporation or By-Laws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors.

ARTICLE VI - ELECTION OF DIRECTORS

Section 6.01. Nomination and Election: Not less than sixty (60) days before the date set forth for the annual meeting of the Directors, (Article 7, Section 7.07.); the President of the Board of Directors (hereafter the 'President') or Vice President of the Board (hereafter the Vice President) in the absence of a President, shall appoint at least three (3) members as the Nominating Committee which shall include the President and two other Directors to nominate candidates for election as Directors. The names of the nominees shall be presented to the Board of Directors at its regular quarterly meeting held prior to the annual meeting or a special meeting, so called, at least 45 days prior to the annual meeting; and any Director may at such meeting nominate any other qualified person(s) as candidate(s) by category for such office. Thereafter, the names of the nominees shall be mailed to the Directors and to all property owners in good standing, not later than ten (10) days prior to the annual meeting. At the annual meeting to the Board of Directors nominations shall be closed and the election conducted. Each Director shall have one vote for each position to be filled, but such votes may not cumulate. A Director may cast his or her vote either in person at the annual meeting or by submitting a written ballot to the Secretary prior to such meeting. The candidates receiving the highest number of votes shall be elected.

Section 6.02. Qualifications: According to category:

1) as property owners who have fully paid into the Noe Valley Association, *a Community Benefit District*, as approved by ordinance by the San Francisco Board of Supervisors on August 2, 2005 (above and hereafter 'property owners in good standing');

2) as business owners located within the District, who do not own nor have an ownership interest in commercial property within the District (hereafter 'District business owners'); or

3) as an at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association (hereafter 'resident of the District').

The business owners located within the District, who do not own nor have an ownership interest in commercial property within the District and the at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, shall be selected based upon their contribution to the development of the Board and service to the Noe Valley Association.

Each Nominee shall be eligible for nomination to the Board of Directors based upon active participation with the corporation including its committees, task forces or otherwise for a period of not less than one (1) year, and support the policies, goals and history of the corporation. In addition, nominees shall only be eligible for election to those positions for which they qualify as a property owner in good standing or an active business owner located in the District, who does not own nor has an ownership interest in commercial property located within the District, or an at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association. During the corporation's first year of operation, the conditions for active participation in one of the Board Committees shall be waived.

Nominees for election to the Board should reflect the Noe Valley Association

community and shall only be eligible for nomination following notice by mail to all fully paid property tax paying owners within the District. The Nominations Committee shall present a list of candidates for nomination to the Board at its regular quarterly meeting held prior to the annual meeting or at a special meeting so called at least 45 days prior to the annual meeting. Thereafter, the names of the nominees shall be mailed to the Directors and to all property owners in good standing, not later than ten (10) days prior to the annual meeting. Those nominees not elected to serve on the Board shall be encouraged to work on one of the Board's committees in order to familiarize themselves with the functions and activities of the Board and to better qualify for election to the Board of Directors.

Section 6.03. Interim Board: Prior to selection of the first elected Board of Directors, an Interim Board shall be self-appointed for a period not to exceed 18 months from the establishment of the Interim Board. Interim Board members shall have full authority to draft the corporation's By-Laws, make decisions, and negotiate on behalf of the corporation. The Board shall elect interim officers to serve until the first duly elected Board of Directors is installed. The meeting for, and the date and time of the election of the first elected Board of Directors shall be set at the discretion of the Interim Board, but shall not be set beyond the 18 month limitation period. The elected Directors shall be elected by the Interim Board of Directors in accordance with this Article VI, Election of Directors. Cumulative voting by directors for the election of any Directors shall not be permitted.

Section 6.04. No Term Limits: There shall be no term limits for elected officers or service on the Board.

ARTICLE VII - DIRECTORS

Section 7.01. Number and Term: The corporation shall have eight (8) Directors and collectively they shall be known as the Board of Directors. The exact number of Directors shall be fixed from time-to-time by resolution of the Board of Directors. The number may be changed by amendment of the By-Laws, or by repeal of this By-Law and adoption of a new By-Law, as provided herein. Subject to the foregoing provisions for changing the number of Directors, the exact number of Directors of the corporation is fixed at eight (8) consisting, according to category:

- 1) five (5) property owners in good standing;
- 2) two (2) active business owners located in the District, who do not own nor have an ownership interest in commercial property located within the District; and
- 3) one (1) at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association.

If the Board of Directors increases the number of Directors, the addition shall be made in the category of property owners in good standing.

The Directors shall be elected in accordance with Article 6, Section 6.01. for staggered three (3) year terms beginning on the date of the election to replace those Directors whose terms are then expiring. The Interim Board shall designate five (5) of the initial terms for Directors to be two (2) years and the remaining five (5) for a term of three (3) years; then upon the expiration of the first two (2) year term for three (3) years thereafter. (Amended 04/23/09)

Section 7.02. Powers: Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, any limitations in the Articles of Incorporation and By-Laws 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.

Section 7.03. Duties: It shall be the duty of the Directors to:

1) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these By-Laws;

2) Appoint and remove, employ and discharge, and, except as otherwise provided in these By-Laws, prescribe the duties and fix the compensation, if any, of all officers, agents consultants and employees of the corporation;

3) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;

4) Meet at such time and place as required by these By-Laws; and

5) Register their address with the Secretary of the corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid thereof.

Section 7.04. Compensation: Directors shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in attending Directors' meetings, only after adoption of a written Board policy concerning this provision. In addition, with Board approval, they may be allowed an advancement or reimbursement of expenses, not to exceed Fifteen Dollars and No Cents (\$15.00), incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 7.05. of this Article.

Section 7.05. Restrictions Regarding Interested Directors: Notwithstanding any other provision of these By-Laws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

1) Any person currently being compensated by the corporation for services rendered it within the previous twelve months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director, or 2) Any brother, sister, ancestor, descendant, spouse, brother-in-law, son-in-law, daughter-in-law, or father-in-law of any such person.

Section 7.06. Place of Meetings: Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such place within or outside of the Noe Valley Neighborhood in the City and County of San Francisco, State of California that has been designated from time to time by resolution of the Board of Directors. Any meeting, annual, regular or special, may be held by converse telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another.

Section 7.07. Regular and Annual Meetings: Regular meetings of Directors shall be held quarterly at a regular time and place as determined by the Board. The Board has the

authority to alter the time and place of the regular meetings upon majority vote provided notification of such is made to the Noe Valley Association. The publication of the day, time and place may be posted in the Annual Report and as such shall serve as appropriate notification.

The Annual meeting of the Board of Directors shall be held during the month of July or as soon as is practicable thereafter as set by the Board, but never more than one hundred twenty (120) days beyond the end of the fiscal year. The exact day, time and place shall be set by the Board upon majority vote provided notification of such is made to the to all property owners in good standing. The publication of the day, time and place may be posted in the Annual Report and as such serve as appropriate notification.

If this corporation makes no provision for members, then, at the annual meeting of Directors held in July or as soon as is practicable thereafter as set by the Board, but never later than October 31st of the subject year; the Directors shall be elected by the Board of Directors in accordance with this section and Article VI. Cumulative voting by directors for the election of Directors shall not be permitted.

Section 7.08. Special Meetings: Special meetings of the Board of Directors may be called by the President, the Vice President, the Treasurer, or by any four Directors, and such meetings shall be held at the place, within the neighborhood of Noe Valley, City and County of San Francisco, State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

Section 7.09. Notice of Meetings: The date, place and time of the Annual and Regular meetings of the Board shall be published in the Annual Report. No other notice shall be required. 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 or fax. Such notices shall be addressed to each Director at his or her address as shown on the books of the corporation. 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 forty eight (48) hours from the time of 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 forth eight (48) hours from the time of the original meeting.

Section 7.10. Contents of Notice: Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Special Board meeting shall be set forth in an agenda.

Section 7.11. Waiver of Notice and Consent to Holding Meetings: The transactions of any meeting of the Board, however called and notices of wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minute of the meeting.

Section 7.12. Quorum for Meetings: A quorum shall consist of five (5) Directors of the Board. Except as otherwise provided in these By-Laws 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, as herein defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of any Director from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or By-Laws of this corporation.

Section 7.13. Majority Action as Board Action: Every act or decision done or made by a majority of the Directors present at the meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or By-Laws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of the Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

Section 7.14. Conduct of Meetings: Meetings of the Board of Directors shall be presided over by the President, or if no such person has been so designated or, in his or her absence, the Vice President or, in the absence of each of these persons, by a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the 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 Robert's 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 By-Laws, with the Articles of Incorporation of this corporation, or with provisions of law.

Section 7.15. Action by Two Thirds (2/3s) 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 members of the full Board shall individually or collectively consent in writing to such action. Each Board member shall be notified of the need for written consent without a meeting through first class mail, a fax, e-mail or phone call. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the simple majority vote of the Directors. Any certificate or other document filed under any provision of law which relates to action taken shall state that the action was taken by two-thirds written consent of the Board of Directors without a meeting and that the By-Laws of this corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

Section 7.16. Vacancies: Vacancies on the Board of Directors shall exist: 1) on the death, resignation or removal of any Director; or 2) wherever the number of authorized Directors is increased.

The Board of Directors may declare vacant the office of a Director who has been

declared of unsound mind 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 of the California Nonprofit Public Benefit Corporation Law.

If this corporation has any members, then, if the corporation has less than fifty (50) members, Directors may be removed without cause by a majority of all members, or, if the corporation has fifty (50) or more members by vote of a majority of the votes represented at a membership meeting at which a quorum is present.

If this corporation has no members, Directors may be removed without cause by a majority of the Directors then in office.

Any Director may resign effective upon giving written notice to the President, the Secretary of the Board (hereafter the 'Secretary'), or the Board of Directors in session, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

Vacancies on the Board shall be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy 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 By-Laws, or (3) a sole remaining Director.

If this corporation has members; however, vacancies created by the removal of a Director may be filled only by the approval of the members. The members, if any, of this corporation may elect a Director at any time to fill any vacancy not filled by the Directors.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election the Board of Director or until his or her death, resignation or removal from office.

Section 7.17. Non-Liability of Directors: The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 7.18. Indemnification by Corporation of Directors, Officers, Employees and Other 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 is, or was, an agent of the corporation, or has been successful in defense of any claim, issue of matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the 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 Nonprofit Public Benefit Corporation Law.

Section 7.19. Insurance for Corporate Agents: The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating of self-dealing (Section 5233 of

the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Section 7.20. Open Meetings: The Noe Valley Association shall comply with the open meeting requirements of the Ralph Brown Act with regard to its performance of any agreements between the corporation and the City and County of San Francisco. All property owners in good standing are welcome, encouraged and have a right to attend any and all meetings of the corporation.

ARTICLE VIII - OFFICERS

Section 8.01. Number of Officers: The officers of the corporation shall be a President of the Board (herein the 'President'), a Vice President of the Board (herein the 'Vice President'), a Treasurer of the Board (herein 'Treasurer') and a Secretary of the Board, also known as the Secretary of the corporation, (hereafter the 'Secretary'). The corporation may also have, as determined by the Board of Directors, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. 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 the Vice President.

Section 8.02. Qualification, Election and Term of Office: All officers of this corporation, except the Secretary or subordinate officers, shall be duly elected Directors. Any Board member may serve as an officer of this corporation. Officers shall be elected by the Board of Directors, at any 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. Officers of the corporation shall serve at the will of the Board of Directors.

The Secretary shall not be required to be a duly elected Director, as the position shall be held by the Executive Director employed by the Board and shall serve as Secretary, as long as employed as the Executive Director of the corporation.

Section 8.03. Executive Director: An Executive Director of the corporation (hereafter Executive Director) shall be employed as the primary subordinate officer of the corporation and in addition to any other duties delegated to it by the Board shall serve as the Secretary of the corporation and be solely responsible for the duties thereof. The Executive Director shall be employed by the Board under contract with fair compensation, shall be subordinate to the Board, and shall report directly and take instruction from the Board. When the Board is not configured in a body as the Board of Directors, the Executive Director shall report and take instruction from the President.

Section 8.04. Other Subordinate Officers: The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers and agents shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

Section 8.05. Removal and Resignation: Any officer may be removed, either with or

without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. 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. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

Section 8.06. 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 the 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 8.07. Duties of President: The President shall be the chief executive officer of the corporation and as such, shall preside at all meetings of the Board, shall vote only in the case of a tie, shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers, and shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, or other instruments which may from time to time be authorized by the Board of Directors.

If there is no President, the Vice President shall have the powers and duties of the President, as set forth in these By-Laws.

Subject to the control of the Board, in the absence of the Executive Director, the President shall supervise and control the day to day operation of the corporation until such time as a replacement may be found to serve as Executive Director. In general perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be prescribed from time to time by the Board of Directors.

The President shall be an Ex-officio member of all standing and appointed committees.

Section 8.08. 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, or by these By-Laws, or as may be prescribed by the Board of Directors. In general perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be prescribed from time to time by the Board of Directors.

If there should be more than one vice president, they shall be designated First Vice President, Second Vice President, etc., and shall serve in succession.

Section 8.09. Duties of the Treasurer: The Treasurer shall be the chief financial officer of the corporation and as such, subject to the provisions of these By-Laws relating to the "Execution of Instruments, Deposits and Funds,": the Treasurer, shall:

1) Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust

companies, or other depositories as shall be selected by the Board of Directors or delegate such responsibilities to staff;

2) Receive, and give receipt for, monies due and payable to the corporation from and source whatsoever;

3) Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;

4) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;

5) Exhibit at all reasonable times the books of account and financial records to any Director of the corporation, or to his or her agent or attorney, on request thereof. Noe Valley Association property owners in good standing shall have similar rights of inspection as provided by action of the Directors;

6) Render to the President, Executive Director/Secretary, and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation;

7) Prepare and cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports; and

8) 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 the corporation, by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

9) Prepare and present at every regular and annual meeting of the Board of Directors a written financial report with supporting bank statements for review and approval by the Board.

Section 8.10. Duties of Secretary: The Secretary shall:

1) Certify and keep at the principal office of the corporation the original, or a copy of these By-Laws as amended or otherwise altered to date;

2) Keep the principal office of the 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, 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;

3) See that all notices are duly given in accordance with the provision of these By-Laws or as required by law;

4) Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law of these By-Laws;

5) Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased;

6) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the By-Laws, the membership book, and the minutes or the proceedings of the Board of Directors of the corporation. Noe Valley Association property owners shall have similar rights of inspection as provided by action of the Directors; and

7) 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 of this corporation, or by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 8.11. Duties of the Executive Director: The Executive Director shall serve as Secretary and shall perform all of the duties of the Secretary. Additionally, the Executive Director shall be responsible for the day to day operation of the Noe Valley Association as set forth in the employment contract and shall be fairly compensated for such service. Compensation and the employment contract shall be fixed by the Board.

ARTICLE IX - COMMITTEES

Section 9.01. Executive Committee: The Board of Directors may, by a majority vote of Directors, designate four (4) 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 the corporation, except with respect to:

- 1) The approval of any action which, under law or the provisions of these By-Laws, requires the approval of a majority or super majority of all of the Directors;
- 2) The filing of vacancies on the board or on any committee which has the authority of the board;
- 3) The fixing of compensation of the Directors for serving on the Board or on any committee or task force;
- 4) The amendment or repeal of By-Laws or the adoption of new By-Laws;
- 5) The amendment or repeal of any resolution of the Board which by its express terms is not so amenable or repealable;
- 6) The appointment of committees of the Board or the members thereof;
- 7) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected;
- 8) The approval of any transaction to which this corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 9.02. Advisory Committees and Other Task Forces: Advisory Committees shall be established, at the option of the Board of Directors, to meet the specific purpose and objectives set forth in these By-Laws of the corporation at Article II, Section 2.01. & 2.02. and as indicated in the 'Final Plan' approved by the ballot measure in accordance with Proposition 218. Such Advisory Committees are: 1) Cleanliness for public rights of way and sidewalk operations, steam-cleaning, graffiti removal, trash receptacles and maintenance; 2) Security for public safety and protection of the commercial businesses, night patrols and emergency coordination; 3) Beautification - the lighting and the greening of the Commercial Benefit District with coordinated tree planting, planters and decoration; 4) Promotions for district identity, signage, and streetscape; 5) Investment solicitation of both private and public funds; and 6) Community development and participation.

The corporation shall have such other committees and task forces as may from time to time be designated by resolution of the Board of Directors.

Advisory Committees and all other committees may consist of persons who are not members of the Board. These committees shall act in an advisory capacity only to the Board, the Executive Committee and the Executive Director and shall be clearly titled as 'advisory committees' or 'advisory task forces'.

Section 9.03. Meetings and Action of Committee: Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these By-Laws concerning meetings of the Board of Directors, with such changes in the context of such By-Law 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 meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors or the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these By-Laws.

Section 9.04. Committee Participation: All property owners in good standing, and any interested District business owner; and any resident of the District, selected based upon their past contribution to the development of the Board and service to the Noe Valley Association or active past participation with any of the Noe Valley neighborhood community organizations are qualified to serve and be appointed to any committee by the Directors.

ARTICLE X EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 10.01. Execution of Instruments: The Board of Directors, except as otherwise provided in these By-Laws, may by resolution, authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the 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 the corporation by any contract or engagement or to pledge its credit or to render it liable monetary for any purpose or in any amount.

Section 10.02. 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 the corporation shall require two signatures. The following officers of the corporation shall have authority to sign all checks and other evidence of indebtedness as previously referenced: the Treasurer, and countersigned by the Executive Director/Secretary and the President or the Vice President when the President is unavailable.

Section 10.03. Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 10.04. Gifts: The Board of Directors may accept on behalf of the corporation

any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE XI CORPORATE RECORDS, REPORTS AND SEAL

Section 11.01. Maintenance of Corporate Records: The corporation shall keep and maintain at its principal office in the Noe Valley Neighborhood of the City and County of San Francisco, State of California the following:.

1) Minutes of all meetings of Directors, committees of the Board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether annual, regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

2) Adequate and correct books, all Treasurer's Reports with supporting bank statements, and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses; and

3) A record of its members, if any indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership. A copy of the corporation's Articles of Incorporation and By-Laws as amended to date, which shall be open to inspection by Noe Valley Association property owners in good standing or the members, if any, of the corporation at all reasonable times during office hours.

Section 11.02. Corporate Seal: The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 11.03. Director's Inspection Rights: Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 11.04. Inspection Rights: The following persons Noe Valley Association property owners in good standing, and if this corporation has any members, then its members, shall have the following inspection rights, for a purpose reasonably related to such person's interest:

1) To obtain from the Secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses and voting rights of those persons entitled to vote for the election of directors, i.e. Directors, as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled; and

2) To inspect at any reasonable item the books, records, or minutes of proceedings of the members, if any, or of the Board, or of committees of the Board, upon written demand on the corporation by the person, for a purpose reasonable related to such person's interests as a property owner in good standing or a member, if any.

3) To inspect and copy the record of all members' names, addresses and voting rights,

at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested; and

4) A listing of all property owners within the District is a matter of public record with the City and County of San Francisco, Assessor's Office.

Section 11.05. 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.

Section 11.06. Annual Report: The Board may cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all Directors of the corporation, to the property owners in good standing, and, if this corporation has members, to any member or delegate who requests it in writing, which report shall contain the following information in appropriate detail:

1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;

2) The principal changes in assets and liabilities,, including trust funds, during the fiscal;

3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year; and

5) Any information required by Section 7 of this Article.

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 the corporation that such statements were prepared without audit from the books and records of the corporation.

If this corporation has members, then, if this corporation receives TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants of certification of a corporate officer, as specified by the above of this Section relating to the annual report.

Section 11.07. Annual Statement of Specific Transactions to Members: This corporation shall mail or deliver to all Directors and all members, if any, a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

1) Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest;

2) Any Director or officer of the corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or

3) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary;

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more that FIFTY THOUSAND DOLLARS (\$50,000.00) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000.00).

Similarly, the statement need only be provided with respect to indemnification's or

advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any Director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If the corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required in this Section.

ARTICLE XII - FISCAL YEAR

Section 12.01. Fiscal Year of the Corporation: The fiscal year of the corporation shall be from July 1st through June 30th of each year.

ARTICLE XIII - AMENDMENT OF BY-LAWS

Section 13.01. Amendment: Subject to any provision of law applicable to the amendment of By-Laws of public benefit corporations, these By-Laws, or any of them may be altered, amended, or repealed and new By-Laws adopted by approval of the two-thirds (2/3rds) super majority action of the sitting Board of Directors of this corporation with the President exercising a vote.

ARTICLE XIV - AMENDMENT OF ARTICLES

Section 14.01. Amendment of Articles Before Admission of Members: Before any members have been admitted to the corporation, any amendment of the Articles of Incorporation may be adopted by a two-thirds (2/3rds) super majority approval of the Board of Directors with the President exercising a vote.

Section 14.02. Amendment of Articles After Admission of Members: If members, if any, have been admitted to the corporation, amendment of the Articles of Incorporation may be adopted by the approval of the Board of Directors and by the two-thirds (2/3rds) super majority approval of the members of this corporation.

Section 14.03. Certain Amendments: Notwithstanding the above sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of its initial agent, except to correct an error in such statement or to delete either statement after the corporation has filed a "Statement of Information (Domestic Non-Profit Corporation)" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE XV PROHIBITION AGAINST SHARING CORPORATE

PROFITS AND ASSETS

Section 15.01. Prohibition: 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 the corporation, provided, however, that this provision shall not prevent payment to any such person or reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these By-Laws 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 the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

ARTICLE XVI - DISSOLUTION

Section 16.01. Dissolution of Corporation: Upon dissolution, whether voluntary or involuntary, of the corporation and after the payment of all of the corporation's creditors, any remaining assets of the corporation shall be distributed to the City and County of San Francisco to be held in trust for the benefit of the public and to be used to improve the Twenty-fourth (24th) Street Commercial Corridor in the neighborhood commonly known as Noe Valley, San Francisco, California, by providing maintenance and public safety programs, community services and public/community relations programs.

Section 16.02. Voluntary Dissolution: Voluntary proceedings for dissolving the corporation upon the adoption of the members, if any, or the Board, electing to wind up and dissolve. The Board shall continue to act as a board and shall have full powers to wind up and settle its affairs, both before and after filing of a certificate of dissolution. The Corporation shall cease to conduct its activities, except to the extent necessary for the beneficial winding up thereof, to the extent necessary to carry out its purposes and except during such period as the Board may deem necessary. The Board shall cause written notice of the commencement of the proceeding for voluntary winding up to be given by mail to all members, if any, (except no notice need be given to its members, if any, who voted in favor of winding up and dissolving the corporation), to all known creditors and claimants whose addresses appear on the records of the corporation, to the duly elected Supervisor for District Eight, to the President of the Board of Supervisors, to the Treasurer of the City and County of San Francisco, and to the Attorney General of the State of California.

ARTICLE XVII - ADOPTION

SECTION 17.01. WRITTEN CONSENT OF DIRECTORS ADOPTING BY-LAWS: We, the undernamed, are all of the persons named as the Interim Directors of the Board of Directors of the Noe Valley Association, *a Community Benefit District*, a California Nonprofit Public Benefit Corporation, and pursuant to the governing rules of construction, government codes and final plan set forth in the Article III of these By-Laws, the Articles of Incorporation, regulations and ordinances of the City and County of San Francisco and the

Laws of the State of California, and with the authority therein granted to the Interim Directors, do hereby **unanimously** adopt the foregoing By-Laws of nineteen (18) pages, including the certification page, and one attachment of five pages, as the By-Laws of this corporation, The Noe Valley Association on this 7th day of November 2005 and amended on June 6, 2006, October 17, 2006, and again on April 17, 2007.

Interim Board of Directors:

Robert T. Roddick, Esq., Organizer, Business Owner: **Noe Valley Law Offices**, Commercial Property Owner, and Noe Valley Homeowner. President of the Board of Directors.

David Eiland: Organizer, Business Owner: **Just For Fun**, & Noe Valley Homeowner. Vice President of the Board of Directors.

Debra Niemann: Organizer, Friends of Noe Valley - President, and Noe Valley Homeowner. Secretary of the Board and Executive Director.

Mary Gassen: Business Owner: **Noe Valley Bakery**, Treasurer of the Board.

Eric Alexanderson: Commercial Property Owner and Noe Valley Homeowner.

Eleanor Gerhardt: Noe Valley Resident.

Isa Muhawieh: Business Owner: **Isa's Salon & Spa**, and Commercial Property Owner.

Mark Campana: Commercial Property Owner.

B. J. Droubi: Business Owner: **B. J. Droubi Real Estate**, Commercial Property Owner.

Alfred Goodwin, Commercial Property Owner.

Carol Yenne: Organizer, Noe Valley Merchants & Professionals Association - President, Business Owner: **Small Frys Children's Store**, Commercial Property Owner, and Noe Valley Homeowner.

Paul Kantus: Organizer, East & West of Castro Street Improvement Association - President, and Noe Valley Homeowner.

CERTIFICATION BY SECRETARY:

This is to certify that the foregoing is a true and correct copy of the By-Laws of the corporation named in the title thereto and that such By-Laws, as amended, were duly adopted unanimously by the Board of Directors of said corporation on date set forth below.

Dated: April 17, 2007.

Debra Niemann, Secretary

(Seal)

Noe Valley Association Job Description
(Executive Director)

Title: Executive Director

Reports to: Board of Directors/Board President

Exempt Status: Exempt

Work Schedule: 20-25 hours per week

The Association: The specific purpose of the Noe Valley Association (a Community Benefit District) is fourfold:

1. To bring about the cleanliness, beautification, security and promotion of the Noe Valley Community District and its surrounds;
2. To bring about the investment of private and public capital within Noe Valley Community District and its surrounds for public and charitable purposes;
3. To bring about the increased provision of quality public involvements within the Noe Valley Community District and its surrounds; and
4. To bring about the increased economic well being of property owners, residents, employees and businesses within the Noe Valley Community Benefit District and its surrounds.

Objective: The objective of the Noe Valley Community Benefit District is to improve the image and economic vitality of the Noe Valley Twenty-fourth Street Community, also known as “Downtown Noe Valley”, and its surrounds. To accomplish this objective, the corporation will create, manage and implement programs consistent with the specific purpose set forth above, and the maximize coordination with the City and County of San Francisco and the San Francisco Board of Supervisors to supplement base level services, leverage resources, and deliver through a cost-effective and an assessable organizational structure which provides accountability to district members.

Job Summary: The Executive Director shall be employed as the primary subordinate officer of the corporation and in addition to any other duties delegated to it by the board shall serve as the Secretary of the corporation and be solely responsible for the duties thereof. The Executive Director shall be employed by the Board, and shall report directly and take instruction from the Board. When the Board is not configured in a body as the Board of Directors, the Executive Director shall report and take instruction from the President.

Position Requirements:

- Must be highly organized
- Must have strong leadership skills
- Must be sociable
- Must have previous non-profit experience

Responsibilities: *To serve and perform the duties of the Secretary of the Corporation.*

Duties of the Secretary: The Secretary shall:

1. Certify and keep at the principal office of the corporation the original, or a copy of these By-Laws as amended or otherwise altered to date;
2. Keep the principal office of the 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, 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;
3. See that all notices are duly given in accordance with the provision of these By-Laws or as required by law;
4. Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duty executed documents, the execution of which on behalf of the corporation under its seal is authorized by law of these By-Laws;
5. Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased;
6. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request thereof, the By-Laws, membership book, and the minutes or the proceedings of the Board of Directors of the corporation. Noe Valley Association property owners shall have similar rights of inspection as provided by action of the Directors; and
7. In general, perform all duties incident to the office of Secretary and such duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be assigned to him or her from time to time by the Boards of Directors.

Administrative Duties: The Executive Director assumes complete responsibility for day to day operations of the Noe Valley Association. These include:

1. Keep up correspondence with the Board, community, property owners within the CBD Boundary and City and County of San Francisco.
2. Prepare and print annual report.
3. Prepare mailings to constituents.
4. Ensure that all requirements of the CBD management contract with the City and County of San Francisco and the State of California are fulfilled in a timely and professional way.
5. Research successful CBD programs and introduce new ideas to further the development of the organization.
6. Provide leadership to the Board of Directors and its committees with respect to contracts that need to be researched and negotiated.
7. Coordinate agendas for Boards meetings.
8. Provide leadership to the Board of directors and its committees with respect to grant writing.

Public Relations Duties: *The Executive acts as the primary contact for media, government agencies and constituents of the Noe Valley Association. This includes:*

1. Serve as the NVA chief spokesperson with media, government agencies, associations, and other publics.
2. Act as liaison to other CBD's and other Noe Valley neighborhood groups, churches and schools.
3. Ensure that the NVA name and brand is properly used in the community.

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NOE VALLEY ASSOCIATION

(a Community Benefit District)

A California Nonprofit Public Benefit Corporation

Conflict of Interest Policy

ARTICLE I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organization.

ARTICLE II

Definitions

1. Interested Person

Any Director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after the hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial

interest, any action taken to determine whether a conflict of interest, the nature of the financial interest, any action taken to determine was present, and the governing board's or committee's decision as to whether a conflict of interest in fact expired.

b. The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken un connection with the proceedings.

ARTICLE V

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, for the organization for services is precluded from voting on matters pertaining to the members' compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives, compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the statement of the conflicts of interest policy,
- b. Has read and understand the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable an din order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

ARTICLE VI

Periodic Reviews

To ensure the Organization operates in a manner consistent with the charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arms' length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in a excess benefit transaction.

ARTICLE VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Certification

Resolution approved by unanimous vote of the Board of Directors, November 7, 2005.

Certified: November 7, 2005

Signed

Debra Niemann, Secretary

Statement of Activities

The Final Plan approved by the real property voters specifically sets forth the district boundaries, and identified the service goals and activities.

The Community Benefit District was voted into existence by the concerned real property owners of that certain geographical area comprising the San Francisco, 24th Street commercial corridor in Noe Valley. It was spearheaded by a coalition of concerned property owners and merchants, including the Noe Valley Merchant's Association, the Friends of Noe Valley and the East and West of Castro Improvement District. The Noe Valley Community Benefit District (CBD), AKA: Noe Valley Association, is a benefit assessment district proposed to improve the 24th Street commercial corridor in the Noe Valley neighborhood of San Francisco, California.

The intent of the district is to increase commerce, make Noe Valley a better place to shop, beautify the neighborhood, develop public spaces, and allow the business and property owners to have input into revitalization and maintenance of the district.

The Noe Valley Association will sponsor specific activities that will maintain the cleanliness of the district as well as the safety of the individuals who live in, work in and visit the district. The Noe Valley Association will retain an Executive Director to manage the day to day operations and management of the association and hire outside firms to perform a variety of functions (all employment and service contracts are subject to approval by the Board of Directors) such as, but not limited to, performing requisite actions to achieve success in the various activities listed below:

PUBLIC RIGHT OF WAY AND SIDEWALK OPERATIONS

- 1) Regular sidewalk and gutter sweeping;
- 2) Quarterly sidewalk steam cleaning as well as after special events;
- 3) Spot steam cleaning as necessary;
- 4) Daily security services;
- 5) Beautification and maintenance of public spaces;
- 6) Holiday decorations;
- 7) Graffiti removal;
- 8) Installation and maintenance of banners;
- 9) Work with the City of San Francisco on hazardous issues;
- 10) Tree and plant maintenance and planting; and
- 11) Enhanced trash emptying in the public right of way.

DISTRICT IDENTITY AND STREETSCAPE IMPROVEMENTS

- 1) Special events (Halloween, Harvest Fest and Hayride, Christmas in Noe Valley)
- 2) Pedestrian kiosks and wayfinding signage systems;
- 3) Holiday decorations;
- 4) Public art and public space development; and
- 5) Historical markers.

ADMINISTRATION AND CORPORATE OPERATIONS

- 1) Staffing and administrative costs;
- 2) Insurance;
- 3) Office related expenses;
- 4) Financial reporting;
- 5) Strategizing parking issues with the city of San Francisco; and
- 6) Communications.

All of these projects and activities are for the benefit of everyone who attends events, visits and/or shops, lives in and/or works in the geographical area designated as the Noe Valley Community Benefit District, i.e. Noe Valley Association. None of the activities will inure to the benefit of any select individual or group of individuals.

Twice a year, the organization will receive funding via a special assessment (not a tax) by the City and County of San Francisco of property owners in the Noe Valley Community Benefit District. While there are no other sources of income planned yet, it is hoped that additional funding via grants can be secured for special projects such as upgrading depressed and/or neglected areas within the district via enhanced security in order to improve safety, and via upkeep, banners and enhance cleanliness to improve the area's desirability and beautification with community open spaces for all.

**MINUTES OF THE
FIRST MEETING OF THE INTERIM BOARD OF DIRECTORS OF
(First organizational meeting)**

**THE NOE VALLEY ASSOCIATION*
(a Community Benefit District)
A California Nonprofit Corporation**

The Incorporators and the first Board of Directors of the corporation, held their first meeting at the time, on the day, and at the place set forth as follows:

Time: 9:00 a.m.;

Date: November 7, 2005;

Place: 4171 - 23rd Street, San Francisco, California 94114

The following Directors, constituting at least a quorum of the Board, were present at the meeting: Carol Yenne, Debra Niemann, Robert T. Roddick, Paul Kantus, David Eiland, Mary Gassen, Isa Muhawieh, Eric Alexanderson, Mark Campana, and Alfred Goodwin.

The following Directors were absent: Eleanor Gerhardt and William Drypolcher. It is noted that later that day the absent Directors executed the governing By-Laws.

1. Waiver of Notice and Consent:

The temporary Chairman announced that the meeting was held pursuant to a written waiver of notice and consent to the holding of the meeting, signed by all Directors of the corporation named as Directors by the Incorporators. That waiver and consent was presented to the meeting and on motion duly made, seconded and unanimously carried, was made a part of the minutes of the meeting.

2. Articles Filed:

The temporary Chairman informed the Board that the original Articles of Incorporation of the corporation had been filed in the office of the California Secretary of State on September 15, 2005, and that they named Robert T. Roddick, Esq. as initial agent for service of process.

The Temporary Chairman presented to the meeting a certified copy of the Articles of Incorporation, showing filing as stated. The temporary Secretary was directed to insert the copy in the book of minutes of the corporation and was also directed to keep a copy at the principal office of the transaction of business of the corporation. On motion duly made, seconded and unanimously carried, it was resolved that Robert T. Roddick, Attorney at Law, be confirmed as the corporation's agent for service of process.

3. Adoption of By-Laws:

The temporary Secretary presented to the meeting a form of By-Laws that was considered and discussed. On motion duly made, seconded, and unanimously carried, the following resolutions were adopted:

WHEREAS: the Directors of this corporation have not yet adopted any By-Laws for the corporation; and

WHEREAS: the best interests of this corporation will be served by the adoption of By-

Laws:

THEREFORE, BE IT RESOLVED, that the By-Laws presented to this meeting and discussed are adopted as the By-Laws of this corporation.

RESOLVED, FURTHER, that the secretary of this corporation is authorized and directed to afford the absent Directors an opportunity to execute the By-Laws later this day, and is directed and authorized to executed a certificate of the adoption of those By-Laws and to insert those By-Laws as so certified in the book of minutes of this corporation, and to see that a copy of the By-Laws, similarly certified, is kept at the principal office for the transaction of business of this corporation.

4. Establishment of the Number of Directors:

The temporary Chairman announced that although the initial number of directors for the duly elected Board is fixed that the Board may from time to time on motion duly made and seconded and appropriately passed change the number of Board members.

On motion duly made, seconded and unanimously carried the following resolution was adopted:

RESOLVED: that the authorized number of the Interim Board of Directors of this corporation shall be twelve (12) and the initially elected Board of Directors shall be ten (10) as set forth in the duly adopted By-Laws.

5. Election of Officers and the interim hiring of the Secretary/Executive Director:

The meeting proceeded to the election of a President, Vice President, and Treasurer and the hiring of the Secretary/Executive Director. The following were duly nominated and elected to the offices indicated before their names, to serve for eighteen months or until their respective successors are duly elected and qualified, whichever occurs later:

<u>OFFICE</u>	<u>NAME</u>
President:	Robert T. Roddick
Vice President:	David Eiland
Treasurer:	Mary Gassen

The following was duly nominated and hired as the interim Secretary/Executive Director of the corporation to serve in such capacity until an employment contract is approved by the Directors or until her respective successor is duly hired and qualified, whichever occurs later and that upon the approval of the employment contract by the Directors to be installed as Secretary/ Executive Director of the corporation:

<u>OFFICE</u>	<u>NAME</u>
Secretary/Executive Director:	Debra Neimann

The officers so elected and hired, respectively, accepted their respective offices and thereafter the President presided at the meeting as Chairman, and the Secretary acted as Secretary of the meeting.

6. Corporate Seal:

The President presented by description for approval a proposed seal of the corporation, consisting of a circle having on its circumference the name of the corporation, and the words and figures "INCORPORATED", the date of incorporation, and "CALIFORNIA" in the form and figures as follows:

On motion duly made, seconded and carried, the following resolution was adopted:

RESOLVED: that the corporate seal in the form, words, and figures presented to this meeting is hereby adopted as the seal of this corporation.

7. Accounting Year:

The chairman that the board next consider adoption of an accounting year. Discussion followed. On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED: that this corporation adopt an accounting year as follows:

Date accounting year begins: October 1st

Date accounting year ends: September 30th.

8. Principal Office Location:

After discussion, and on motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED: That the Board confirms the designation set forth in the By-Laws that the neighborhood of Noe Valley, City and County of San Francisco, California, is designated and fixed as the neighborhood, city and county in which the principal office for the transaction of the business of this corporation shall be located, unless and until changed by the Board according to the By-Laws.

9. Establishment of a Bank Account:

The Chairman suggested that the Directors consider providing for the deposit and disbursement of corporate funds, and name a bank to hold the corporations funds. The office authorized for signing are set forth in the corporation's By-Laws. On motion duly made, seconded and unanimously carried, the following resolutions were adopted:

RESOLVED: that the President and Treasurer are authorized to open such bank accounts as may be necessary and appropriate for the conduct of business of this corporation with Sterling Bank, provided that any such bank accounts shall require the signatures of the offices as set forth in the corporation's By-Laws on all checks drawn on such accounts, that all resolutions required by the depository bank with respect to such accounts are hereby adopted, and that the Secretary, or the Treasurer of this corporation is authorized to certify to any bank the adoption of the resolution in the form used by the bank.

FURTHER RESOLVED: that all specific forms of resolutions required by any such depository as presented by the depository are adopted in the form provided by the depository, and the Secretary of this corporation are authorized to certify those resolutions having been adopted at this meeting, and is directed to insert the form of those resolutions in the minute book of this meeting.

ADDITIONALLY, RESOLVED: that any such depository to which a copy of such resolutions, certified by the Secretary of this corporation, shall have been delivered shall be entitled to rely on those resolutions for all purposes until it shall have received written notice of the revocation or amendment of these resolutions by the Board of Directors of this corporation.

10. Incorporation Debt and Expense:

The Chairman reported that the Incorporators borrower Twenty Thousand Dollars in addition to raising the balance to fund the ballot process and incorporation expense, and suggested that the loan be assumed by this corporation and the payment of the expenses of incorporation and the organization of the corporation be made and provided for by this corporation. On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED: that the Twenty Thousand Dollars and No Cents borrowed on the terms and conditions of the Note entered into by the Incorporators on June 6, 2005, which a copy of

such is held by the Treasurer, be paid in full from the income received from the City and County of San Francisco, and that each of the officers of this corporation is authorized and directed to pay, on behalf of the corporation, from the funds so raised either through donation or by such loan, the expenses related: 1) to the ballot process; 2) of incorporation and 3) organization of this corporation.

11. Exemption From Federal and State Taxes:

The Chairman explained that federal and state tax exemptions are available to certain nonprofit corporations. On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED: that the President consult with legal counsel, Noe Valley Law Offices, to ascertain the availability of exemptions from taxation under the federal and state tax laws, and if such exemptions are available, the President shall with the assistance of counsel, executed and file all necessary applications for exemption from those taxes with the appropriate state and federal authorities, and to pay necessary filing fees.

12. Statement By Domestic Corporation:

On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED: that the President is authorized and directed to execute and file with the office of the California Secretary of State, at the times required by law, the annual statement required by the California Corporation Code to be filed by domestic nonprofit corporations.

13. Registration with the State Attorney General:

On motion duly made, seconded and carried unanimously, the following resolution was adopted:

RESOLVED: that no later than six (6) months after the receipt of assets to be applied to the charitable purposes for which this corporation was organized, the President is directed to register the corporation with the Registrar Charitable Trusts, Office of the Attorney General of California.

RESOLVED, FURTHER: that the President is directed to make periodic filings as required by the Attorney general describing the financial activity of the corporation and the distribution of the assets held for charitable purposes.

14. Contract with the City and County of San Francisco:

On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED: that the President is authorized and directed to enter into, execute and file with the office of the City Attorney of the City and County of San Francisco, the appropriate contract as specified and required by law, in accordance San Francisco Business and Tax Regulations Code, Article 15, Section 1511(f), the California Government Code, Section 53750-53754, related to the Noe Valley Community Benefit District Management District Plan submitted to the voters on May 24, 2005 and any other requirements directed to this corporation as a Community Benefit District.

15. Compliance with Local Solicitation Ordinances:

On motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED: that the President is directed to ascertain the legal requirements imposed on organizations soliciting funds for charitable purposes in the City and County of San Francisco, and

RESOLVED, FURTHER: that the President is authorized and directed to make all necessary filings and obtain all necessary permits authorizing and allowing this corporation to make public solicitations for contributions for charitable purposes in the City and County of San Francisco.

16. Employer Identification Number:

The Chairman report that there was a need to obtain a tax payer Employer Identification Number when this corporation was in the formation stage and that the name used ought to be changed by letter request to name of this corporation. On motion duly made, seconded and carried unanimously, the following resolution was adopted:

RESOLVED: that the federal Employer Identification Number, 11-3737007, be confirmed as the federal tax payer Employer Identification Number for this corporation, and that the President is authorized and directed to write a letter amending the current name to Noe Valley Association.

17. Quarterly Board Meetings:

The Chairman then proposed that pursuant to the California Corporation Code and these By-Laws, the Board fix the time and place for holding a regular business meetings of the Directors. Following discussion of these matters and upon motion duly made seconded and unanimously carried, the following resolutions were made:

RESOLVED: that the Board of Directors of this corporation shall hold a regular quarterly business meeting on the last Monday of the January, April, and July and the last Wednesday of October. The annual meeting of the Board of Directors of this corporation, held on the last Wednesday of the month of October, shall serve as the last quarterly meeting of the year, at the principal business office of the corporation, such meetings to be held at 9:30 a.m., without call or notice, unless the location is determined to be otherwise by direction of the Board.

18. Policy Book:

It was raised that a Policy Book be maintained by the Secretary of the corporation setting forth all policies established from time to time by the Board of Directors

RESOLVED: that the Secretary of the corporation maintain a Policy Book of a policy established by the Board of Directors and that such Policy Book be brought to every meeting of the Board and be made available upon request.

RESOLVED, FURTHER: that these organizational minutes be inserted into the Policy Book establishing the first established policies of this Board of Directors.

19. Committees:

It was raised that appropriate committees ought to be established to research and gather information in order to conduct the business of this corporation. On motion duly made, seconded, and carried unanimously, the following resolution was passes:

RESOLVED: that the following committees be established with the following members and that each committee choose their own chairperson and that as many other interested and valuable individuals be solicited to participate as needed:

Executive Committee:

- (Employment Contracts) Robert Roddick
Mary Gassen
Debra Neimann
- (Government Filings) Robert Roddick
Debra Niemann
- (Financial Accounts) Robert Roddick
Mary Gassen

Street Cleaning:

- (Project Scope & Proposal) Debra Neimann
Carol Yenne

Streetscape:

- (Sidewalk Features) Debra Niemann
Isa Muhawieh
Rob Evans
- (Comprehensive Master Plan) David Eiland
Eleanor Gerhardt
Rob Evans
Isabelle Salvadori
Alfred Goodwin
Isa Muhawieh
- (Urban Ecology Liaison) Alfred Goodwin
- (Landscape Firms - Gratis) Isabelle Salvadori
Rob Evans
- (Newsstands) David Eiland
Alfred Goodman
- (Parking Meter Stations) David Eiland
- (Trees, Flowers & Greening) Isabelle Salvadori
Rob Evans
- (Committee Statement) All of the above

Fund Raising - Grants and Proposals:

- (Solicitation list) Debra Niemann
- (City Matching Grants) Debra Niemann
- (Public Utilities Commission) Debra Niemann
- (S.F. Beautiful) Debra Niemann

Administration:

- (Budget) Debra Neimann
- (Employment Contract) Debra Neimann
Mary Gassen
Robert Roddick
- (Bulletin Board) Debra Neimann

(Creative Strategy)

All of the above

Adjournment:

There being no further business, on motion duly made, seconded and carried unanimously, the meeting was adjourned.

Dated: November 7, 2005

Debra Neimann, Secretary

*As corrected: June 5, 2006.

Debra Niemann, Secretary

Noe Valley Association
a Community Benefit District

Interim Directors

Robert T. Roddick, Esq., Organizer, Business Owner: **Noe Valley Law Offices**, Commercial Property Owner, and Noe Valley Homeowner. President of the Board of Directors.

David Eiland: Organizer, Business Owner: **Just For Fun**, & Noe Valley Homeowner. Vice President of the Board of Directors.

Debra Niemann: Organizer, Friends of Noe Valley - President, and Noe Valley Homeowner. Secretary of the Board and Executive Director.

Mary Gassen: Business Owner: **Noe Valley Bakery**, Treasurer of the Board.

Eric Alexanderson: Commercial Property Owner and Noe Valley Homeowner.

Eleanor Gerhardt: Noe Valley Resident. 415-

Isa Muhawieh: Business Owner: **Isa's Salon & Spa**, and Commercial Property Owner.

Mark Campana: Commercial Property Owner.

William Drypolcher: Business Owner: **Zephyr Real Estate**, Commercial Property Owner.

Alfred Goodwin, Commercial Property Owner.

Carol Yenne: Organizer, Noe Valley Merchants Professionals Association - President, Business Owner: **Small Frys Children's Store**, Commercial Property Owner, and Noe Valley Homeowner.

Paul Kantus: Organizer, East & West of Castro Street Improvement Association - President, and Noe Valley Homeowner.

Original

By-Laws of the Noe Valley Association (a Community Benefit District)

A California Public Benefit Corporation

ARTICLE I - OFFICES

Section 1.01. Principal Office: The principal office of the corporation for the transaction of its business is located in the City and County of San Francisco, California and the Noe Valley Neighborhood which is bounded by Twenty-first Street, Liberty Hill and Dolores Heights on the north, Fair Oaks and Dolores Streets to Bernal Cut on the east, Thirtieth Street, Fairmont Heights and Diamond Heights on the south, and Grandview Street and Twin Peaks on the west.

Section 1.02. Change of Address: The county and the neighborhood within the county of the corporation's principal office can be changed only by amendment of these By-Laws and not other-wise. The Board of Directors may, however, change the principal office from one location to another within the County of San Francisco and the neighborhood of Noe Valley. Any such change shall be noted by the Secretary in these By-Laws, as an attachment thereto, but shall not be considered an amendment of these By-Laws.

ARTICLE II - SPECIFIC PURPOSE & OBJECTIVES

Section 2.01. Specific Purpose: The specific purpose of this corporation is threefold:

- 1) To bring about the cleanliness, beautification, security and promotion of the Noe Valley Community Benefit District and its surrounds;
- 2) To bring about the investment of private and public capital within the Noe Valley Community Benefit District and its surrounds for public and charitable purposes; and
- 3) To bring about the increased provision of quality public improvements within the Noe Valley Community Benefit District and its surrounds.

Section 2.02. Objective: The objective of this corporation is to improve the image and economic vitality of the Noe Valley Twenty-fourth Street Commercial Corridor, also known as 'Downtown Noe Valley', and its surrounds. To accomplish this objective the corporation will create, manage and implement programs consistent with the specific purpose set forth above, and that maximize coordination with the City and County of San Francisco and the San Francisco Board of Supervisors to supplement base level services, leverage resources, and deliver through a cost-effective and an assessable organizational structure which provides accountability to district members.

ARTICLE III - CONSTRUCTION

Section 3.01. Rules of Construction: 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 By-Laws.

Section 3.02. Government Codes: This corporation is formed in compliance with the California Government Code, Section 53750-53754, (Proposition 218) and the San Francisco Business and Tax Regulations Code, Article 15, Section 1511(f).

Section 3.03. Final Plan - Ballot Measure: This corporation is, further, formed in compliance with the Noe Valley Community Benefit District Management District Plan, San Francisco, California, (hereafter 'Final Plan') submitted on May 24, 2005, and approved by the qualified voters in accordance with Government Codes referenced above.

ARTICLE IV NOE VALLEY ASSOCIATION DEFINED

Section 4.01. Defined: The "Noe Valley Association", AKA: Noe Valley Community Benefit District, (hereafter referred to as the "District") is a nonprofit Public Benefit Corporation and includes that certain geographical territory of the City and County of San Francisco described and delineated in that certain map which is attached hereto and incorporated herein by reference, as Exhibit 1.

ARTICLE V - MEMBERSHIP

Section 5.01. No Members: This Corporation shall have no members, as that term is defined in section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Public Benefit Corporation Law, any action which would otherwise require approval by a majority of all members shall require only approval of the Board of Directors. All rights, which would require approval by a majority of all members shall require only approval of the Board of Directors. All rights which would otherwise vest in the members shall vest in the Board of Directors. Nothing in these By-Laws shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation as "members" even though such persons are not members, as defined in section 5056 of the California Corporations Code. Such persons shall be deemed to be associated persons with respect to the corporation as that term is defined in section 5332 of the California Nonprofit Public Benefit Corporation Law, and no such reference shall constitute anyone as a member of this Corporation.

Section 5.02. Determination of Members: If this corporation makes no provision for members, then, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provision of the Articles of Incorporation or By-Laws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors.

ARTICLE VI - ELECTION OF DIRECTORS

Section 6.01. Nomination and Election: Not less than sixty (60) days before the date

set forth for the annual meeting of the Directors, (Article 7, Section 7.07.); the President of the Board of Directors (hereafter the 'President') or Vice President of the Board (hereafter the Vice President) in the absence of a President, shall appoint at least three (3) members as the Nominating Committee which shall include the President and two other Directors to nominate candidates for election as Directors. The names of the nominees shall be presented to the Board of Directors at its regular quarterly meeting held prior to the annual meeting or a special meeting, so called, at least 45 days prior to the annual meeting; and any Director may at such meeting nominate any other qualified person(s) as candidate(s) by category for such office. Thereafter, the names of the nominees shall be mailed to the Directors and to all property owners in good standing, not later than ten (10) days prior to the annual meeting. At the annual meeting to the Board of Directors nominations shall be closed and the election conducted. Each Director shall have one vote for each position to be filled, but such votes may not cumulate. A Director may cast his or her vote either in person at the annual meeting or by submitting a written ballot to the Secretary prior to such meeting. The candidates receiving the highest number of votes shall be elected.

Section 6.02. Qualifications: According to category:

1) as property owners who have fully paid into the Noe Valley Association, *a Community Benefit District*, as approved by ordinance by the San Francisco Board of Supervisors on August 2, 2005 (above and hereafter 'property owners in good standing');

2) as business owners located within the District, who do not own nor have an ownership interest in commercial property within the District (hereafter 'District business owners'); or

3) as an at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association (hereafter 'resident of the District').

The business owners located within the District, who do not own nor have an ownership interest in commercial property within the District and the at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, shall be selected based upon their contribution to the development of the Board and service to the Noe Valley Association.

Each Nominee shall be eligible for nomination to the Board of Directors based upon active participation with the corporation including its committees, task forces or otherwise for a period of not less than one (1) year, and support the policies, goals and history of the corporation. In addition, nominees shall only be eligible for election to those positions for which they qualify as a property owner in good standing or an active business owner located in the District, who does not own nor has an ownership interest in commercial property located within the District, or an at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association. During the corporation's first year of operation, the conditions for active participation in one of the Board Committees shall be waived.

Nominees for election to the Board should reflect the Noe Valley Association community and shall only be eligible for nomination following notice by mail to all fully paid property tax paying owners within the District. The Nominations Committee shall present a list of candidates for nomination to the Board at its regular quarterly meeting held prior to the

annual meeting or at a special meeting so called at least 45 days prior to the annual meeting. Thereafter, the names of the nominees shall be mailed to the Directors and to all property owners in good standing, not later than ten (10) days prior to the annual meeting. Those nominees not elected to serve on the Board shall be encouraged to work on one of the Board's committees in order to familiarize themselves with the functions and activities of the Board and to better qualify for election to the Board of Directors.

Section 6.03. Interim Board: Prior to selection of the first elected Board of Directors, an Interim Board shall be self-appointed for a period not to exceed 18 months from the establishment of the Interim Board. Interim Board members shall have full authority to draft the corporation's By-Laws, make decisions, and negotiate on behalf of the corporation. The Board shall elect interim officers to serve until the first duly elected Board of Directors is installed. The meeting for, and the date and time of the election of the first elected Board of Directors shall be set at the discretion of the Interim Board, but shall not be set beyond the 18 month limitation period. The elected Directors shall be elected by the Interim Board of Directors in accordance with this Article VI, Election of Directors. Cumulative voting by directors for the election of any Directors shall not be permitted.

Section 6.04. No Term Limits: There shall be no term limits for elected officers or service on the Board.

ARTICLE VII - DIRECTORS

Section 7.01. Number and Term: The corporation shall have a minimum of ten (10) and a maximum of fifteen (15) Directors and collectively they shall be known as the Board of Directors. The exact number of Directors shall be fixed from time-to-time by resolution of the Board of Directors. The number may be changed by amendment of the By-Laws, or by repeal of this By-Law and adoption of a new By-Law, as provided herein. Subject to the foregoing provisions for changing the number of Directors, the exact number of Directors of the corporation is initially fixed at ten (10) consisting, according to category:

- 1) seven (7) property owners in good standing;
- 2) two (2) active business owners located in the District, who do not own nor have an ownership interest in commercial property located within the District; and
- 3) one (1) at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association.

The Directors shall be elected in accordance with Article 6, Section 6.01. for staggered three (3) year terms beginning on the date of the election to replace those Directors whose terms are then expiring. The Interim Board shall designate five (5) of the initial terms for Directors to be two (2) years and the remaining five (5) for a term of three (3) years; then upon the expiration of the first two (2) year term for three (3) years thereafter.

Section 7.02. Powers: Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, any limitations in the Articles of Incorporation and By-Laws 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.

Section 7.03. Duties: It shall be the duty of the Directors to:

- 1) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these By-Laws;
- 2) Appoint and remove, employ and discharge, and, except as otherwise provided in these By-Laws, prescribe the duties and fix the compensation, if any, of all officers, agents consultants and employees of the corporation;
- 3) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;
- 4) Meet at such time and place as required by these By-Laws; and
- 5) Register their address with the Secretary of the corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid thereof.

Section 7.04. Compensation: Directors shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in attending Directors' meetings, only after adoption of a written Board policy concerning this provision. In addition, with Board approval, they may be allowed an advancement or reimbursement of expenses, not to exceed Fifteen Dollars and No Cents (\$15.00), incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 7.05. of this Article.

Section 7.05. Restrictions Regarding Interested Directors: Notwithstanding any other provision of these By-Laws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

- 1) Any person currently being compensated by the corporation for services rendered it within the previous twelve months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director, or
- 2) Any brother, sister, ancestor, descendant, spouse, brother-in-law, son-in-law, daughter-in-law, or father-in-law of any such person.

Section 7.06. Place of Meetings: Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such place within or outside of the Noe Valley Neighborhood in the City and County of San Francisco, State of California that has been designated from time to time by resolution of the Board of Directors. Any meeting, annual, regular or special, may be held by converse telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another.

Section 7.07. Regular and Annual Meetings: Regular meetings of Directors shall be held quarterly at a regular time and place as determined by the Board. The Board has the authority to alter the time and place of the regular meetings upon majority vote provided notification of such is made to the Noe Valley Association. The publication of the day, time and place may be posted in the Annual Report and as such shall serve as appropriate notification.

The Annual meeting of the Board of Directors shall be held during the month of July or as soon as is practicable thereafter as set by the Board, but never more than one hundred twenty

(120) days beyond the end of the fiscal year. The exact day, time and place shall be set by the Board upon majority vote provided notification of such is made to the to all property owners in good standing. The publication of the day, time and place may be posted in the Annual Report and as such serve as appropriate notification.

If this corporation makes no provision for members, then, at the annual meeting of Directors held in July or as soon as is practicable thereafter as set by the Board, but never later than October 31st of the subject year; the Directors shall be elected by the Board of Directors in accordance with this section and Article VI. Cumulative voting by directors for the election of Directors shall not be permitted.

Section 7.08. Special Meetings: Special meetings of the Board of Directors may be called by the President, the Vice President, the Treasurer, or by any four Directors, and such meetings shall be held at the place, within the neighborhood of Noe Valley, City and County of San Francisco, State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

Section 7.09. Notice of Meetings: The date, place and time of the Annual and Regular meetings of the Board shall be published in the Annual Report. No other notice shall be required. 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 or fax. Such notices shall be addressed to each Director at his or her address as shown on the books of the corporation. 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 forty eight (48) hours from the time of 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 forth eight (48) hours from the time of the original meeting.

Section 7.10. Contents of Notice: Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Special Board meeting shall be set forth in an agenda.

Section 7.11. Waiver of Notice and Consent to Holding Meetings: The transactions of any meeting of the Board, however called and notices of wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minute of the meeting.

Section 7.12. Quorum for Meetings: A quorum shall consist of five (5) Directors of the Board. Except as otherwise provided in these By-Laws 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, as herein defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

The Directors present at a duly called and held meeting at which a quorum is initially

present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of any Director from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or By-Laws of this corporation.

Section 7.13. Majority Action as Board Action: Every act or decision done or made by a majority of the Directors present at the meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or By-Laws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of the Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

Section 7.14. Conduct of Meetings: Meetings of the Board of Directors shall be presided over by the President, or if no such person has been so designated or, in his or her absence, the Vice President or, in the absence of each of these persons, by a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the 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 Robert's 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 By-Laws, with the Articles of Incorporation of this corporation, or with provisions of law.

Section 7.15. Action by Two Thirds (2/3s) 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 members of the full Board shall individually or collectively consent in writing to such action. Each Board member shall be notified of the need for written consent without a meeting through first class mail, a fax, e-mail or phone call. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the simple majority vote of the Directors. Any certificate or other document filed under any provision of law which relates to action taken shall state that the action was taken by two-thirds written consent of the Board of Directors without a meeting and that the By-Laws of this corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

Section 7.16. Vacancies: Vacancies on the Board of Directors shall exist: 1) on the death, resignation or removal of any Director; or 2) wherever the number of authorized Directors is increased.

The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind 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 of the California Nonprofit Public Benefit Corporation Law.

If this corporation has any members, then, if the corporation has less than fifty (50) members, Directors may be removed without cause by a majority of all members, or, if the corporation has fifty (50) or more members by vote of a majority of the votes represented at a

membership meeting at which a quorum is present.

If this corporation has no members, Directors may be removed without cause by a majority of the Directors then in office.

Any Director may resign effective upon giving written notice to the President, the Secretary of the Board (hereafter the 'Secretary'), or the Board of Directors in session, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

Vacancies on the Board shall be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy 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 By-Laws, or (3) a sole remaining Director.

If this corporation has members; however, vacancies created by the removal of a Director may be filled only by the approval of the members. The members, if any, of this corporation may elect a Director at any time to fill any vacancy not filled by the Directors.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election the Board of Director or until his or her death, resignation or removal from office.

Section 7.17. Non-Liability of Directors: The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 7.18. Indemnification by Corporation of Directors, Officers, Employees and Other 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 is, or was, an agent of the corporation, or has been successful in defense of any claim, issue of matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the 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 Nonprofit Public Benefit Corporation Law.

Section 7.19. Insurance for Corporate Agents: The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating of self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Section 7.20. Open Meetings: The Noe Valley Association shall comply with the

open meeting requirements of the Ralph Brown Act with regard to its performance of any agreements between the corporation and the City and County of San Francisco. All property owners in good standing are welcome, encouraged and have a right to attend any and all meetings of the corporation.

ARTICLE VIII - OFFICERS

Section 8.01. Number of Officers: The officers of the corporation shall be a President of the Board (herein the 'President'), a Vice President of the Board (herein the 'Vice President'), a Treasurer of the Board (herein 'Treasurer') and a Secretary of the Board, also known as the Secretary of the corporation, (hereafter the 'Secretary'). The corporation may also have, as determined by the Board of Directors, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. 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 the Vice President.

Section 8.02. Qualification, Election and Term of Office: All officers of this corporation, except the Secretary or subordinate officers, shall be duly elected Directors. Any Board member may serve as an officer of this corporation. Officers shall be elected by the Board of Directors, at any 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. Officers of the corporation shall serve at the will of the Board of Directors.

The Secretary shall not be required to be a duly elected Director, as the position shall be held by the Executive Director employed by the Board and shall serve as Secretary, as long as employed as the Executive Director of the corporation.

Section 8.03. Executive Director: An Executive Director of the corporation (hereafter Executive Director) shall be employed as the primary subordinate officer of the corporation and in addition to any other duties delegated to it by the Board shall serve as the Secretary of the corporation and be solely responsible for the duties thereof. The Executive Director shall be employed by the Board under contract with fair compensation, shall be subordinate to the Board, and shall report directly and take instruction from the Board. When the Board is not configured in a body as the Board of Directors, the Executive Director shall report and take instruction from the President.

Section 8.04. Other Subordinate Officers: The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers and agents shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

Section 8.05. Removal and Resignation: Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. 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. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

Section 8.06. 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 the 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 8.07. Duties of President: The President shall be the chief executive officer of the corporation and as such, shall preside at all meetings of the Board, shall vote only in the case of a tie, shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers, and shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, or other instruments which may from time to time be authorized by the Board of Directors.

If there is no President, the Vice President shall have the powers and duties of the President, as set forth in these By-Laws.

Subject to the control of the Board, in the absence of the Executive Director, the President shall supervise and control the day to day operation of the corporation until such time as a replacement may be found to serve as Executive Director. In general perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be prescribed from time to time by the Board of Directors.

The President shall be an Ex-officio member of all standing and appointed committees.

Section 8.08. 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, or by these By-Laws, or as may be prescribed by the Board of Directors. In general perform all duties incident to the office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these By-Laws, or which may be prescribed from time to time by the Board of Directors.

If there should be more than one vice president, they shall be designated First Vice President, Second Vice President, etc., and shall serve in succession.

Section 8.09. Duties of the Treasurer: The Treasurer shall be the chief financial officer of the corporation and as such, subject to the provisions of these By-Laws relating to the "Execution of Instruments, Deposits and Funds,": the Treasurer, shall:

1) Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors or delegate such responsibilities to staff;

2) Receive, and give receipt for, monies due and payable to the corporation from and source whatsoever;

3) Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;

4) Keep and maintain adequate and correct accounts of the corporation's properties and

business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;

5) Exhibit at all reasonable times the books of account and financial records to any Director of the corporation, or to his or her agent or attorney, on request thereof. Noe Valley Association property owners in good standing shall have similar rights of inspection as provided by action of the Directors;

6) Render to the President, Executive Director/Secretary, and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation;

7) Prepare and cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports; and

8) 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 the corporation, by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

9) Prepare and present at every regular and annual meeting of the Board of Directors a written financial report with supporting bank statements for review and approval by the Board.

Section 8.10. Duties of Secretary: The Secretary shall:

1) Certify and keep the principal office of the corporation the original, or a copy of these By-Laws as amended or otherwise altered to date;

2) Keep the principal office of the 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, 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;

3) See that all notices are duly given in accordance with the provision of these By-Laws or as required by law;

4) Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law of these By-Laws;

5) Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased;

6) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the By-Laws, the membership book, and the minutes or the proceedings of the Board of Directors of the corporation. Noe Valley Association property owners shall have similar rights of inspection as provided by action of the Directors; and

7) 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 of this corporation, or by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 8.11. Duties of the Executive Director: The Executive Director shall serve as Secretary and shall perform all of the duties of the Secretary. Additionally, the Executive Director shall be responsible for the day to day operation of the Noe Valley Association as set forth in the employment contract and shall be fairly compensated for such service. Compensation and the employment contract shall be fixed by the Board.

ARTICLE IX - COMMITTEES

Section 9.01. Executive Committee: The Board of Directors may, by a majority vote of Directors, designate four (4) 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 the corporation, except with respect to:

- 1) The approval of any action which, under law or the provisions of these By-Laws, requires the approval of a majority or super majority of all of the Directors;
- 2) The filing of vacancies on the board or on any committee which has the authority of the board;
- 3) The fixing of compensation of the Directors for serving on the Board or on any committee or task force;
- 4) The amendment or repeal of By-Laws or the adoption of new By-Laws;
- 5) The amendment or repeal of any resolution of the Board which by its express terms is not so amenable or repealable;
- 6) The appointment of committees of the Board or the members thereof;
- 7) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected;
- 8) The approval of any transaction to which this corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 9.02. Advisory Committees and Other Task Forces: Advisory Committees shall be established, at the option of the Board of Directors, to meet the specific purpose and objectives set forth in these By-Laws of the corporation at Article II, Section 2.01. & 2.02. and as indicated in the 'Final Plan' approved by the ballot measure in accordance with Proposition 218. Such Advisory Committees are: 1) Cleanliness for public rights of way and sidewalk operations, steam-cleaning, graffiti removal, trash receptacles and maintenance; 2) Security for public safety and protection of the commercial businesses, night patrols and emergency coordination; 3) Beautification - the lighting and the greening of the Commercial Benefit District with coordinated tree planting, planters and decoration; 4) Promotions for district identity, signage, and streetscape; 5) Investment solicitation of both private and public funds; and 6) Community development and participation.

The corporation shall have such other committees and task forces as may from time to time be designated by resolution of the Board of Directors.

Advisory Committees and all other committees may consist of persons who are not members of the Board. These committees shall act in an advisory capacity only to the Board, the Executive Committee and the Executive Director and shall be clearly titled as 'advisory committees' or 'advisory task forces'.

Section 9.03. Meetings and Action of Committee: Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these By-Laws concerning meetings of the Board of Directors, with such changes in the context of such By-Law 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 meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors or the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these By-Laws.

Section 9.04. Committee Participation: All property owners in good standing, and any interested District business owner; and any resident of the District, selected based upon their past contribution to the development of the Board and service to the Noe Valley Association or active past participation with any of the Noe Valley neighborhood community organizations are qualified to serve and be appointed to any committee by the Directors.

ARTICLE X EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 10.01. Execution of Instruments: The Board of Directors, except as otherwise provided in these By-Laws, may by resolution, authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the 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 the corporation by any contract or engagement or to pledge its credit or to render it liable monetary for any purpose or in any amount.

Section 10.02. 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 the corporation shall require two signatures. The following officers of the corporation shall have authority to sign all checks and other evidence of indebtedness as previously referenced: the Treasurer, and countersigned by the Executive Director/Secretary and the President or the Vice President when the President is unavailable.

Section 10.03. Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 10.04. Gifts: The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE XI CORPORATE RECORDS, REPORTS AND SEAL

Section 11.01. Maintenance of Corporate Records: The corporation shall keep and maintain at its principal office in the Noe Valley Neighborhood of the City and County of San

Francisco, State of California the following:

1) Minutes of all meetings of Directors, committees of the Board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether annual, regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

2) Adequate and correct books, all Treasurer's Reports with supporting bank statements, and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses; and

3) A record of its members, if any indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership. A copy of the corporation's Articles of Incorporation and By-Laws as amended to date, which shall be open to inspection by Noe Valley Association property owners in good standing or the members, if any, of the corporation at all reasonable times during office hours.

Section 11.02. Corporate Seal: The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 11.03. Director's Inspection Rights: Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 11.04. Inspection Rights: The following persons Noe Valley Association property owners in good standing, and if this corporation has any members, then its members, shall have the following inspection rights, for a purpose reasonably related to such person's interest:

1) To obtain from the Secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses and voting rights of those persons entitled to vote for the election of directors, i.e. Directors, as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled; and

2) To inspect at any reasonable item the books, records, or minutes of proceedings of the members, if any, or of the Board, or of committees of the Board, upon written demand on the corporation by the person, for a purpose reasonable related to such person's interests as a property owner in good standing or a member, if any.

3) To inspect and copy the record of all members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested; and

4) A listing of all property owners within the District is a matter of public record with the City and County of San Francisco, Assessor's Office.

Section 11.05. 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.

Section 11.06. Annual Report: The Board may cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all Directors of the corporation, to the property owners in good standing, and, if this corporation has members, to any member or delegate who requests it in writing, which report shall contain the following information in appropriate detail:

- 1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- 2) The principal changes in assets and liabilities,, including trust funds, during the fiscal;
- 3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- 4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year; and
- 5) Any information required by Section 7 of this Article.

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 the corporation that such statements were prepared without audit from the books and records of the corporation.

If this corporation has members, then, if this corporation receives TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants of certification of a corporate officer, as specified by the above of this Section relating to the annual report.

Section 11.07. Annual Statement of Specific Transactions to Members: This corporation shall mail or deliver to all Directors and all members, if any, a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

- 1) Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest;
- 2) Any Director or officer of the corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest); or
- 3) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary;

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more that FIFTY THOUSAND DOLLARS (\$50,000.00) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000.00).

Similarly, the statement need only be provided with respect to indemnification's or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any Director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that the case of a transaction with a partnership of which such person is a

partner, only the interest of the partnership need be stated.

If the corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required in this Section.

ARTICLE XII - FISCAL YEAR

Section 12.01. Fiscal Year of the Corporation: The fiscal year of the corporation shall be from July 1st through June 30th of each year.

ARTICLE XIII - AMENDMENT OF BY-LAWS

Section 13.01. Amendment: Subject to any provision of law applicable to the amendment of By-Laws of public benefit corporations, these By-Laws, or any of them may be altered, amended, or repealed and new By-Laws adopted by approval of the two-thirds (2/3rds) super majority action of the sitting Board of Directors of this corporation with the President exercising a vote.

ARTICLE XIV - AMENDMENT OF ARTICLES

Section 14.01. Amendment of Articles Before Admission of Members: Before any members have been admitted to the corporation, any amendment of the Articles of Incorporation may be adopted by a two-thirds (2/3rds) super majority approval of the Board of Directors with the President exercising a vote.

Section 14.02. Amendment of Articles After Admission of Members: If members, if any, have been admitted to the corporation, amendment of the Articles of Incorporation may be adopted by the approval of the Board of Directors and by the two-thirds (2/3rds) super majority approval of the members of this corporation.

Section 14.03. Certain Amendments: Notwithstanding the above sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of its initial agent, except to correct an error in such statement or to delete either statement after the corporation has filed a "Statement of Information (Domestic Non-Profit Corporation)" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE XV PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

Section 15.01. Prohibition: 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 the corporation, provided, however, that this provision shall not prevent payment to any such person or reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these By-Laws 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 the

corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

ARTICLE XVI - DISSOLUTION

Section 16.01. Dissolution of Corporation: Upon dissolution, whether voluntary or involuntary, of the corporation and after the payment of all of the corporation's creditors, any remaining assets of the corporation shall be distributed to the City and County of San Francisco to be held in trust for the benefit of the public and to be used to improve the Twenty-fourth (24th) Street Commercial Corridor in the neighborhood commonly known as Noe Valley, San Francisco, California, by providing maintenance and public safety programs, community services and public/community relations programs.

Section 16.02. Voluntary Dissolution: Voluntary proceedings for dissolving the corporation upon the adoption of the members, if any, or the Board, electing to wind up and dissolve. The Board shall continue to act as a board and shall have full powers to wind up and settle its affairs, both before and after filing of a certificate of dissolution. The Corporation shall cease to conduct its activities, except to the extent necessary for the beneficial winding up thereof, to the extent necessary to carry out its purposes and except during such period as the Board may deem necessary. The Board shall cause written notice of the commencement of the proceeding for voluntary winding up to be given by mail to all members, if any, (except no notice need be given to its members, if any, who voted in favor of winding up and dissolving the corporation), to all known creditors and claimants whose addresses appear on the records of the corporation, to the duly elected Supervisor for District Eight, to the President of the Board of Supervisors, to the Treasurer of the City and County of San Francisco, and to the Attorney General of the State of California.

ARTICLE XVII - ADOPTION

SECTION 17.01. WRITTEN CONSENT OF DIRECTORS ADOPTING BY-LAWS: We, the undernamed, are all of the persons named as the Interim Directors of the Board of Directors of the Noe Valley Association, a *Community Benefit District*, a California Nonprofit Public Benefit Corporation, and pursuant to the governing rules of construction, government codes and final plan set forth in the Article III of these By-Laws, the Articles of Incorporation, regulations and ordinances of the City and County of San Francisco and the Laws of the State of California, and with the authority therein granted to the Interim Directors, do hereby *unanimously* adopt the foregoing By-Laws of nineteen (18) pages, including the certification page, and one attachment of five pages, as the By-Laws of this corporation, The Noe Valley Association on this 7th day of November 2005 and amended on June 6, 2006, October 17, 2006, and again on April 17, 2007.

Interim Board of Directors:

Robert T. Roddick, Esq., Organizer, Business Owner: **Noe Valley Law Offices,** Commercial Property Owner, and Noe Valley Homeowner.

David Eiland: Organizer, Business Owner: **Just For Fun, &** Noe Valley Homeowner. Vice President of the Board of Directors.

President of the Board of Directors.

Debra Niemann: Organizer, Friends of Noe Valley - President, and Noe Valley Homeowner. Secretary of the Board and Executive Director.

Mary Gassen: Business Owner: **Noe Valley Bakery**, Treasurer of the Board.

Eric Alexanderson: Commercial Property Owner and Noe Valley Homeowner.

Eleanor Gerhardt: Noe Valley Resident.

Isa Muhawieh: Business Owner: **Isa's Salon & Spa**, and Commercial Property Owner.

Mark Campana: Commercial Property Owner.

B. J. Droubi: Business Owner: **B. J. Droubi Real Estate**, Commercial Property Owner.

Alfred Goodwin, Commercial Property Owner.

Carol Yenne: Organizer, Noe Valley Merchants & Professionals Association - President, Business Owner: **Small Frys Children's Store**, Commercial Property Owner, and Noe Valley Homeowner.

Paul Kantus: Organizer, East & West of Castro Street Improvement Association - President, and Noe Valley Homeowner.

CERTIFICATION BY SECRETARY:

This is to certify that the foregoing is a true and correct copy of the By-Laws of the corporation named in the title thereto and that such By-Laws, as amended, were duly adopted unanimously by the Board of Directors of said corporation on date set forth below.

Dated: April 17, 2007.

Debra Niemann, Secretary

(Seal)

**CERTIFICATE
OF
AMENDMENT
OF
ARTICLES OF INCORPORATION**

The undersign certify that:

1. They are the **President** and the **Secretary**, respectively, of the NOE VALLEY ASSOCIATION, a Commercial Benefit District, a California corporation.
2. a) Article I of the Articles of Incorporation of this corporation is amended to read as follows:
The name of the corporation is NOE VALLEY ASSOCIATION, a Community Benefit District; and
b) Article II, Section B of the Articles of Incorporation is deleted in its entirety and the following Article II, Section B is substituted therefore:

B. The specific purpose of this corporation is threefold: **1) to bring about the cleanliness, beautification, security and promotion** of the Noe Valley Community Benefit District and its surrounds; **2) to bring about the investment of private and public capital** within the Noe Valley Community Benefit District and its surrounds for public and charitable purposes; and **3) to bring about increased provision of quality public improvements** within the Noe Valley Community Benefit District and its surrounds.

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The corporation has no members. We further declare under penalty of perjury under laws of the State of California that the matters set forth in this certificate are true and correct of our knowledge.

Robert T. Roddick, President

Debra Niemann, Secretary

ARTICLES OF INCORPORATION

I

The name of this corporation is NOE VALLEY ASSOCIATION, a Commercial Benefit District.

II

A. This corporation is a nonprofit **PUBLIC BENEFIT CORPORATION** and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for **public and charitable** purposes.

B. The specific purpose of this corporation is fourfold: **1) To bring about the cleanliness, beautification, security and promotion** of the Noe Valley Commercial Benefit District and its surrounds; **2) To bring about the investment of private and public capital** within the Noe Valley Commercial Benefit District and its surrounds for public and charitable purposes; **3) To bring about increased provision of quality public improvements** within the Noe Valley Commercial Benefit District and its surrounds; and **4) To bring about the increased economic well being of property owners, residents, employees and businesses** within the Noe Valley Commercial Benefit District and its surrounds.

III

The name and address in the State of California of this corporation's initial agent for services of process is:

ROBERT T. RODDICK
Attorney at Law
1330 Castro Street
San Francisco, California 94114

IV

A. This corporation is organized and operated exclusively for **charitable** purposes within the meaning of Section 501(c)(3), Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to **charitable** purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for **charitable** purposes and which has established its tax exempt status under Section 501(c)(3), Internal Revenue Code.

Robert T. Roddick, Incorporator

Proposed Amendment
to
Amend Article VII, Section 7.01. as set forth below:

ARTICLE VII - DIRECTORS

Section 7.01. Number and Term: The corporation shall have eight (8) Directors and collectively they shall be known as the Board of Directors. The exact number of Directors shall be fixed from time-to-time by resolution of the Board of Directors. The number may be changed by amendment of the By-Laws, or by repeal of this By-Law and adoption of a new By-Law, as provided herein. Subject to the foregoing provisions for changing the number of Directors, the exact number of Directors of the corporation is fixed at eight (8) consisting, according to category:

- 1) five (5) property owners in good standing;
- 2) two (2) active business owners located in the District, who do not own nor have an ownership interest in commercial property located within the District; and
- 3) one (1) at-large member, residing within the Noe Valley Neighborhood, who is not a business owner and does not own nor have an ownership interest in commercial property within the District, selected based upon their contribution to the development of the Board and service to the Noe Valley Association.

If the Board of Directors increases the number of Directors, the addition shall be made in the category of property owners in good standing.

The Directors shall be elected in accordance with Article 6, Section 6.01. for staggered three (3) year terms beginning on the date of the election to replace those Directors whose terms are then expiring. The Interim Board shall designate five (5) of the initial terms for Directors to be two (2) years and the remaining five (5) for a term of three (3) years; then upon the expiration of the first two (2) year term for three (3) years thereafter.

The above referenced proposal was moved and seconded at the quarterly meeting of the Board of Directors on April 23, 2009, and after much discussion was **approved unanimously**.

Furthermore, it was approved that the amendment would be substituted for the previous Section 7.01 of the By-Laws approved on 04/17/07)

