

1 RESTATEMENT OF
BYLAWS

OF

NOVATO DOWNTOWN OLD TOWN BUSINESS ASSOCIATION
(A California Mutual Benefit Corporation)
December 3, 2003

ARTICLE 1
ORGANIZATION AND PURPOSE

SECTION 1.1: ORGANIZATION. The name of this corporation is the Novato Downtown Old Town Business Association (hereinafter referred to as the “Association”). It is a non-profit, mutual benefit corporation organized under the California Non-Profit Mutual Benefit law.

SECTION 1.3: PURPOSE. The particular purpose for which this organization was formed is to promote and improve the common business interests of business owners and merchants in Downtown Novato, California, located within the Novato Downtown Business Improvement District (hereafter referred to as the “BID”).

ARTICLE 2
OFFICES

SECTION 2.1: PRINCIPAL OFFICE. The principal office for the transaction of the activities, affairs, and business of the corporation is located at 900 Sherman Avenue, Novato, Marin County, California. The Board of Directors (“Board”) may change the principal office from one location to another within the Novato Downtown Old Town Business Association boundaries. Any change of location of the principal office shall be noted by the secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

ARTICLE 3
MEMBERS

SECTION 3.1: QUALIFICATIONS. The Association shall have two classes of members: regular members and associate members.

Regular Member. Any person (or their designated agent) owning a business in the BID automatically is a regular member of the Association.

Associate Member: Any other person whether owning a business or not within or without the BID boundaries who wishes to become a member may do so upon approval of the Board and by paying to the Association dues to be determined by the Board. Such voluntary payments to Association must be made upon entry to the Association and annually thereafter, in order to maintain such associate membership.

SECTION 3.2: RIGHTS. All regular members in good standing may serve on the Board and its committees and are entitled to vote. All members may serve on committees upon designation of the Board.

SECTION 3.3: VOTING RIGHTS. All regular members in good standing shall have the right to vote, on the election of directors, on the disposition of all or substantially all of the assets of the Association, on any merger or formation of the BID and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, all members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law; however associate members have no voting rights. All references in these Bylaws to voting by members or approval of members refer only to the votes or approval of the regular members. If the Association is dissolved, all members shall receive a pro-rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the Association and provision of any other payment required under applicable law.

SECTION 3.4: GOOD STANDING. Those members who have paid their assessments under the BID or the equivalent amount of dues as provided in Section 3.1, above, and who are not suspended shall be members in good standing.

SECTION 3.5: TERMINATION/SUSPENSION. An associate membership shall terminate on occurrence of any of the following events:

- A. Resignation, as reasonable.
- B. Failure of an associate member to pay their dues to the Association after they become due and payable.
- C. Termination/Suspension. An associate membership may be terminated or suspended based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Association or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person whose membership is suspended shall not be a member during the period of suspension.

ARTICLE 4 MEETINGS OF MEMBERS

SECTION 4.1: PLACE OF MEETINGS. All meetings of members shall be held either at the principal office or at any other place within Marin County, California, which may be designated either by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting.

SECTION 4.2: REGULAR MEETINGS. Regular meetings of the Association will occur monthly on the first Wednesday of the month at 7 PM. Board meetings will be held monthly, separately from the general membership meetings. In the event of the BID formation, an annual

meeting shall be held within 60 days after approval and re-approval of the BID by the Novato City Council unless the Board fixes another date or time and so notifies members as provided in Section 4.7 of these bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this annual meeting, directors shall be elected, reports of the affairs of the Association shall be considered, and any other proper business may be transacted which is within the powers of the members, subject to Sections 4.6 and 4.9 of these bylaws.

SECTION 4.3: SPECIAL MEETINGS. A special meeting called by any person (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the chairman of the Board, if any, or the president or vice president or secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Sections 4.4, 4.5, 4.6, and 4.7 of these bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least 35 but not more than 90 days after receipt of the request. If the notice is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

A. PERSONS AUTHORIZED TO CALL SPECIAL MEETINGS. A special meeting of the members for any lawful purpose may be called at any time by the Board or the chairman of the Board, if any, or by the president, or by one or more members holding not less than twenty percent of the voting power of the Association.

B. PROPER BUSINESS OF SPECIAL MEETING. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

SECTION 4.4: GENERAL NOTICE REQUIREMENTS FOR MEMBERS' MEETINGS.

Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Section 4.6 of these bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting, and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, except as provided in Section 4.8 of these bylaws, any proper matter may be presented at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

SECTION 4.5: NOTICE OF CERTAIN AGENDA ITEMS. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- A. Removing a director without cause;
- B. Filling vacancies on the Board;

- C. Amending the articles of incorporation;
- D. Approving a contract or transaction between the Association and one or more directors, or between the Association and any entity in which a director has a material financial interest;
- E. Electing to wind up and dissolve the Association;
- F. Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when the Association is in the process of winding up;
- G. Amending the Bylaws.

SECTION 4.6: MANNER OF GIVING NOTICE. Notice of any meeting of members shall be in writing and shall be given at least 10 but not more than 90 days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the Association or at the address given by the member to the Association for purposes of notice. If no address appears on the Association's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or other written communication to the Association's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

SECTION 4.7: AFFIDAVIT OF MAILING NOTICE. An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the Association, and if so executed, shall be filed and maintained in the Associations' minutes book.

SECTION 4.8: QUORUM. Fifteen (15) percent of the voting power shall constitute a quorum for the transaction of business at any meeting of members, provided, however, that if any regular or annual meeting is actually attended in person or by designated agent by less than one quarter of the voting power, the only matters that may be voted on are those of which notice of their general nature was given under Section 4.4 of these bylaws.

SECTION 4.9: LOSS OF QUORUM. Subject to Section 4.8 of these bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

SECTION 4.10: ADJOURNMENT AND NOTICE OF ADJOURNED MEETING. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time-to-time by the vote of a majority of the members represented at the meeting, but in the absence of a quorum no other business may be transacted at such meeting. No meeting may be adjourned for more than 45 days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting

shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Association may transact any business that might have been transacted at the original meeting.

SECTION 4.11: ELIGIBILITY TO VOTE. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of members shall be all **regular** members in good standing as of the record date determined under Section 4.18 of these bylaws, or their designated agent.

A. A designated agent shall be defined as a person designated, in writing, by the owner who will act in the stead of said owner on a regular basis. Any change in designated agent shall be submitted to the Secretary, in writing, by said owner.

B. No Designated Agent or owner shall be empowered to act for more than one eligible business.

SECTION 4.12: MANNER OF CASTING VOTES. Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any member at the meeting before the voting begins.

SECTION 4.13: VOTING. The voting rights of each member participating in the BID during each fiscal year of the Association shall be commensurate with the amount of benefit fee actually assessed during such fiscal year and paid on or before the delinquency date during such year by such member to the City of Novato during such fiscal year pursuant to the terms of Ordinance No. 1654. One vote shall be allocated to each member for each full dollar or benefit fee, or benefit fee equivalent contribution (dues per Section 3.1, B), so paid by such member.

Cumulative voting shall be required with respect to the election of directors. Cumulative voting means that every member entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such member is entitled or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

SECTION 4.14: APPROVAL OF MAJORITY VOTE. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number is required by the California Nonprofit Mutual Benefit Corporation Law or by the articles of incorporation.

SECTION 4.15: WRITTEN WAIVER OF NOTICE OR CONSENT. The transaction of any members' meeting, however called or noticed and whenever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present and (2) either before or after the meeting, each member entitled to vote who is not present at the meeting signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 4.5 of these bylaws, the waiver of notice,

consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.

SECTION 4.16: WAIVER BY ATTENDANCE. A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

SECTION 4.17: PROXIES. No member shall be entitled to vote by proxy. In no event shall "Proxy" be confused with "designated agent" as defined in 4.11.

SECTION 4.18: RECORD DATE FOR NOTICE OR VOTING. The record date for determining members entitled to (1) receive notice of a meeting of members shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (2) vote at the meeting shall be the day on which the meeting is held.

SECTION 4.19: RECORD DATE FOR OTHER ACTIONS. The record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

ARTICLE 5 DIRECTORS

SECTION 5.1: GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation and bylaws regarding actions that require the approval of the members as to action which shall be authorized or approved by the members and subject to the duties of directors as prescribed by the bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors.

SECTION 5.2: SPECIAL POWERS. Without prejudice to the general powers set forth in Section 5.1 of these bylaws, but subject to the same limitations, the directors shall have the power to:

- A. Appoint and remove at the pleasure of the Board all Association's officers, agents, and employees; prescribe powers and duties for them that are consistent with the law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful service.
- B. Change the principal office or the principal business office in Novato, California from one location to another; cause the Association to be qualified to conduct its activities in any other

state, territory, dependency, or country; conduct its activities within or outside Novato, California; and designate any place within or outside Novato, California for holding any meeting of members.

C. Adopt and use a corporate seal; prescribe the forms of membership certificates consistent with the provisions of Section 7313 of the California Corporations Code; and alter the forms of the seal and certificates.

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

E. Appoint an executive committee and other committees as provided in Section 5.18, below, and to delegate to the executive committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except the power to adopt, amend or repeal bylaws.

SECTION 5.3: NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of directors of the corporation shall be fifteen (15) unless changed by amendment of these bylaws. The qualification for directors are that they must be regular members of the Association as provided in Section 3.1 of these bylaws, and in good standing. No two directors shall represent the same business.

SECTION 5.4: ELECTION AND TERM OF OFFICE. The term of office of the Board of Directors shall be three years. Directors shall be elected at each annual meeting of members, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors, including a director elected to fill a vacancy or elected at a special members' meeting, shall hold office until expiration of the term for which elected and until a successor has been elected.

SECTION 5.5: VACANCIES. Vacancies in the Board may be filled by a vote of the majority of the directors then in office, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the members. A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors is increased, or if the members fail at any annual or special meeting of members at which any director or directors are elected to elect the full authorized number of directors to be voted at that meeting. A director may be removed, at the discretion of the Board, if such director is not in attendance at any three consecutive regular meetings of the Board; provided, however, that if prior to the third such meeting such absent director delivers a written request to the Board, in care of any director present at such meeting, that the board may then excuse such absence.

The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the Board accepts the resignation of a director tendered to take effect at a future time, the Board or the members shall have the power to elect a successor to the office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

SECTION 5.6: PLACE OF MEETINGS. Regular meetings of the Board shall be held at any place within the County of Marin, California, which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. Special meetings of the Board may be held at a place designated by the Board in the Notice of the meeting.

SECTION 5.7: MEETINGS BY TELEPHONE. Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

SECTION 5.8: REGULAR ANNUAL AND MONTHLY MEETINGS. Within 10 days, following each annual meeting of members, as defined in Section 4.2, the Board shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Regular monthly meetings shall be held at such times and places as designated by the Board in the Notice of the Meeting.

SECTION 5.9: SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes shall be called at any time by the president, or if he is absent or unable or refuses to act, by the vice president or by any two directors.

SECTION 5.10: NOTICE OF SPECIAL MEETINGS. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (1) by personal delivery of written notice; (2) by first-class mail, postage pre-paid; (3) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or by facsimile or e-mail. All such notices shall be given or sent to the director's address, telephone number or facsimile number as shown on the records of the Association.

SECTION 5.11: NOTICE CONTENTS. The notice shall state the time of the meeting, and the place if the place is one other than the principal office of the Association. It need not specify the purpose of the meeting.

SECTION 5.12: QUORUM. A quorum shall be a simple majority of chairs filled, except to adjourn as hereinafter provided. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions between the corporation and one or more directors or between the Association and any entity in which a director has a material financial interest, (b) creation of an appointments to committees of the Board, and (c) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

SECTION 5.13: WAIVER OF NOTICE. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

SECTION 5.14: ADJOURNMENT. A quorum of the directors may adjourn any directors' meeting to meet again at a stated place and time. In the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time-to-time until the time fixed for the next regular meeting of the Board.

SECTION 5.15: NOTICE OF ADJOURNED MEETING. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

SECTION 5.16: ACTION WITHOUT MEETING. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

SECTION 5.17: FEES AND COMPENSATION. Directors may not receive compensation for their services. Directors may receive reimbursement of expenses, as may be determined by Board resolutions to be just and reasonable to the Association at the time the resolution is adopted.

SECTION 5.18: COMMITTEES OF THE BOARD. The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of one or more directors and any regular or **associate** members who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all the authority of the Board except that no committee, regardless of Board resolution, may:

- A. Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- B. Fill vacancies on the Board or on any committee that has the authority of the Board;
- C. Fix compensation of the directors for serving on the Board or on any committee;

- D. Amend or repeal bylaws or adopt new bylaws;
- E. Amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- F. Create any other committees of the Board or appoint the members of committees of the Board;
- G. Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or
- H. With respect to any assets held in charitable trust, approve any contract or transaction between the Association and one or more of its directors or between the Association and an entity in which one or more of its directors have a material financial interest, subject to the special provisions of Section 5233(d)(3) of the California Corporations Code.

SECTION 5.19: MEETINGS AND ACTION OF COMMITTEES. Meetings and action of committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these bylaws concerning meetings and other Board actions except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by Board resolution, or if there is none, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee that are consistent with these bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

ARTICLE 6 OFFICERS

SECTION 6.1: OFFICERS. The officers of the corporation shall be president, one vice-president, a secretary, and a treasurer and such other officers as may be appointed in accordance with the provisions of Section 6.3 of this article.

SECTION 6.2: ELECTION. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 6.3 or Section 6.5 of this article, shall be chosen annually, in accordance with Section 5.8 herein, by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment. Each officer shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

SECTION 6.3: OTHER OFFICERS. The Board may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board may from time-to-time determine.

SECTION 6.4: REMOVAL AND RESIGNATION. Without prejudice to any rights of an officer under any contract of employment, an officer may be removed, either with or without cause, by a majority of the directors present at any regular or special meeting of the Board, or in the case of an officer not chosen by the Board, by an officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Association. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

SECTION 6.5 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the same manner prescribed in these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

SECTION 6.6 PRESIDENT. The president shall be the general manager of the Association and shall, subject to the control of the Board, supervise, direct and control the Association's activities, affairs and officers. The president shall preside at all members' meetings and at all Board meetings. The President shall be an ex-officio member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board or the bylaws.

SECTION 6.7: VICE-PRESIDENT. In the absence or disability of the president, 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 upon, the president. The vice-presidents shall have such other powers and perform such other duties as, from time-to-time, may be prescribed by the Board or the bylaws.

SECTION 6.8: SECRETARY. The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board may direct, of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of members present or represented at members' meetings.

The secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board required by the bylaws or bylaw to be given, and shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or the bylaws. The secretary shall keep, or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.

SECTION 6.9: TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus, and shares. Any surplus, including earned surplus, paid-in surplus, and surplus arising from a reduction of stated capital, shall be classified according to the source and

shown in a separate account. The books shall at all reasonable times be open to inspection by any director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He or she shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the bylaws.

ARTICLE 7 MISCELLANEOUS

SECTION 7.1: INSPECTION OF CORPORATE RECORDS. The books of account, and minutes of proceedings of the members and the Board and of executive committees of directors shall be open to inspection upon the written demand of any member at any reasonable time, and for a purpose reasonably related to his or her interest and shall be exhibited at any time when required by the demand at any members' meeting of ten percent (10%) of the shares represented at the meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a members' meeting shall be made in writing upon the president, secretary, or assistant secretary of the corporation.

SECTION 7.2: CHECKS, DRAFTS. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time-to-time, shall be determined by resolution of the Board.

SECTION 7.3: ANNUAL REPORT. The Board shall cause an annual report to be sent to the members not late than forty (40) days after the close of the fiscal or the calendar year in compliance with the provisions of Sections 3007, et. seq., of the California Corporations Code.

SECTION 7.4: EXECUTION OF CONTRACTS. Any contract may be entered into or any instrument may be executed in the name of and on behalf of the Association by the president and secretary. Subject to the foregoing, and except as in the bylaws otherwise provided, the Board may authorize any officer or officers, agent or agents, to enter into a contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit to render it liable for any purpose or to any amount.

SECTION 7.5: INSPECTION OF BYLAWS. The Association shall keep in its principal office for the transaction of business the original or a copy of the articles of incorporation and bylaws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 7.6: CONSTRUCTION AND DEFINITIONS. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the foregoing the masculine gender included the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term “person” includes both a legal entity and a natural person.

ARTICLE 8
AMENDMENTS

SECTION 8.1 AMENDMENTS. These bylaws may be amended by a two-thirds vote of members present and voting at any meeting of the Association, provided that the proposed amendment shall have been included in the notice of the meeting.

SECTION 8.2 PARLIAMENTARY AUTHORITY. The Rules in Roberts Rules of Order, newly revised, shall be the parliamentary authority governing the meetings of the Association, directors, and all committees, subject to the laws of the state, the articles of incorporation, these bylaws, and any special rules of order adopted by the Association.

CERTIFICATE OF PRESIDENT

I certify that I am the duly elected and acting President of the Novato Downtown Old Town Business Association, a California nonprofit mutual benefit corporation, that the above Restatement of Bylaws, consisting of 14 pages, are the bylaws of this corporation as adopted by the members and the board of directors on December 3, 2003, and that they have not been amended or modified since that date.

Submitted by Ken Harth, President