

**Bylaws**  
**of**  
**Calle 24 Latino Cultural District**  
**A California Nonprofit Public Benefit Corporation**  
**(Voting Members)**

**CERTIFICATE**

This is to certify that the following is a true and correct copy of the Bylaws of Calle 24 LATINO CULTURAL DISTRICT, consisting of 43 pages, and that such Bylaws were duly adopted by the Council of said organization at the first meeting of the Council of the Corporation on August 25, 2015.

Dated: 9-29-15

  
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Anna Lisa Escobedo, Secretary

**BYLAWS OF CALLE 24 LATINO CULTURAL DISTRICT  
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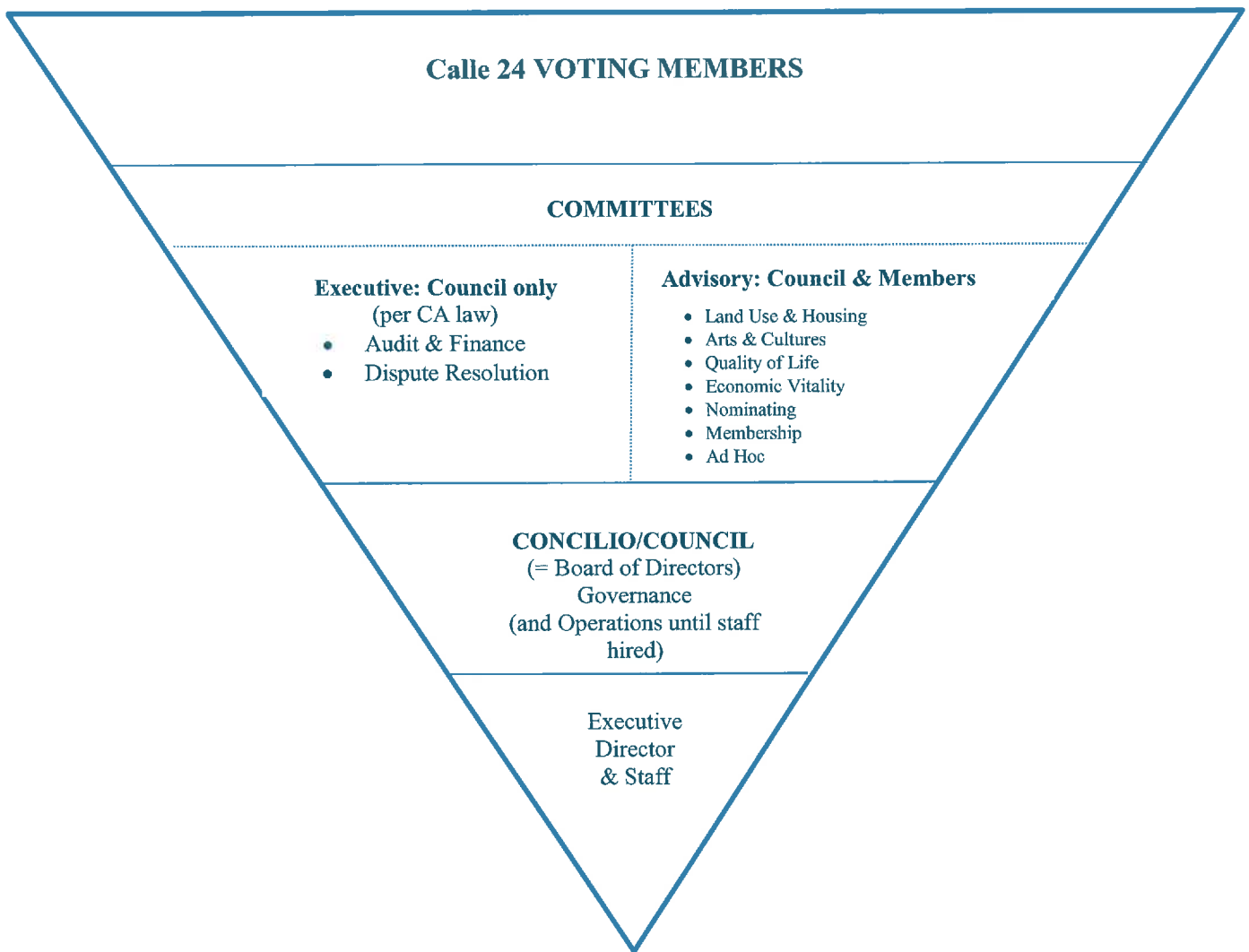
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**GOVERNANCE CHART**

This is a diagram of the governance structure of this organization as reflected in these Bylaws:



## **ARTICLE 1: PURPOSES**

### **SECTION 1. GENERAL PURPOSES**

This organization shall serve the public benefit. The primary purposes and mission of the CALLE 24 LATINO CULTURAL DISTRICT (“Calle 24”) shall be to:

To preserve, enhance and advocate for Latino cultural continuity, vitality, and community in San Francisco’s touchstone Latino Cultural District and the greater Mission community.

In addition, Calle 24 is organized to do all such other acts as are necessary or appropriate to accomplish any of the purposes for which this organization is formed to the fullest extent as is permitted to nonprofit public benefit corporation under the laws of California, as expressly limited in the Articles of Incorporation and by Section 501(c)(3) of the Internal Revenue Code.

Calle 24’s vision is that the Latino Cultural District will be an economically vibrant community that is inclusive of diverse income households and businesses that together compassionately embrace the unique Latino heritages and cultures of 24th street and that celebrate Latino cultural events, foods, businesses, activities, art, and music.

### **SECTION 2. SPECIFIC PURPOSES**

The specific purposes of this organization are:

- 2.1. Strengthening, preserving and enhancing Latino arts & cultures institutions, enterprises and activities;
- 2.2. Encouraging civic engagement and advocating for social justice;
- 2.3. Encouraging economic vitality and economic justice for district families, working people, and immigrants;
- 2.4. Promoting economic sustainability for neighborhood businesses and nonprofits;
- 2.5. Promoting education about Latino cultures; and
- 2.6. Collaboration and coordination with other local arts community, social service agencies, schools, and businesses.

Other specific purposes may be added by a vote of the Council and a majority vote of the membership, without such additions being considered an amendment of these Bylaws.

## **ARTICLE 2: FACILITIES**

### **SECTION 1. PRINCIPAL OFFICE**

The principal office of the organization for the transaction of its business is located at 2958 24th Street, San Francisco, in San Francisco County, California.

## **SECTION 2. CHANGE OF ADDRESS**

The City and County of the organization's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors (hereafter, the "Council") may, however, change the principal office from one location to another within the named City and County by noting the changed address and effective date the new address and effective date in the corporate binder, and such changes of address shall not be deemed an amendment of these Bylaws.

## **SECTION 3. OTHER FACILITIES**

The organization may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Council may, from time to time, designate.

The Organization may own, lease, manage, and otherwise invest in urban or rural facilities, real estate and improvements thereon, within or outside the State of California, without restriction except the requirement that such real estate holdings, ventures, and practices be consistent with applicable law

# **ARTICLE 3: GOVERNANCE STANDARDS**

## **SECTION 1. THE COUNCIL IS EQUIVALENT TO A NONPROFIT BOARD OF DIRECTORS**

The Board of Directors of Calle 24 shall be referred to as the "Concilio" or "Council," and the Council shall serve as Calle 24's Board of Directors. Those who serve on the Council shall be referred to as "Councilpersons" or "Directors," which terms may be used interchangeably. When these Bylaws refer to "directors," the reference is to a Councilperson(s). Every Councilperson shall have the same responsibilities as a Councilperson on the Board of Directors under California law and these Bylaws.

## **SECTION 2: SHARING ORGANIZATIONAL PROFITS OR ASSETS PROHIBITED**

No member, Councilperson, officer, Council Committee Member (executive or advisory), employee, or other person connected with this organization, or any private individual, shall receive any of the assets, net earnings, or pecuniary profit from the operations of the organization at any time. Specifically, but without limitation, no such persons may take the contacts, contracts, trade secrets, intellectual property, procedures, and protocols of the organization into their private hands or for their private use.

It shall be the express duty of Councilpersons, Officers, and Council Committee Members (executive or advisory) to operate the organization in a manner that furthers its charitable purposes as set out in its Articles of Incorporation. In making decisions for and about Calle 24 and its operations, programs, activities, assets, or net earnings, Councilpersons, Officers, and Council or Advisory Committee Members must place the duty to further Calle 24's charitable purposes over any duty they may have to create financial benefit for any separate private enterprise that they may own or control. Nothing in these Bylaws obligates Councilpersons, Officers, or Council or Advisory Committee members to manage or operate their separate private enterprises, if any, for the benefit of Calle 24. Where any doubt may arise as to whether a contemplated or actual transaction or involvement ("Transaction") might be in conflict with this provision, such Transaction must be disclosed to the Council in accord with the

organization's Conflicts of Interest Policy, and the Council must decide, by formal resolution of the Council and not by discussion alone absent a formal resolution, whether or not the Transaction is a Conflict of Interest. Calle 24 shall have all remedies available to it under law to remedy a prohibited sharing of Calle 24's profits or assets.

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

### **SECTION 3. ASSETS IRREVOCABLY DEDICATED TO PUBLIC PURPOSES**

No Councilperson, Officer, Council or Advisory Committee Member, employee, contractor, or other person connected with this organization, or any private individual shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets upon dissolution of the organization. All Councilpersons, Officers, Council or Advisory Committee members, employees, contractors, or other persons connected with this organization shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the organization's affairs, whether voluntarily or involuntarily, the assets of the organization, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this organization and not otherwise.

### **SECTION 4. PROHIBITION OF EXCESS BENEFIT TRANSACTIONS**

01. No "disqualified person" as defined under Section 4958(f)(1) of the Internal Revenue Code or successor statutes, may engage in any "excess benefit transaction." Any person who was, at any time during the 5-year period ending on the date of such transaction, in a position to exercise substantial influence over the affairs of the organization, including Councilpersons, officers, Founders<sup>1</sup>, person(s) who have ultimate authority for implementing the decisions of the governing body or for supervising, the management, administration or operation of the organizations (such as a President or ED), person(s) who have ultimate authority for managing the finances of the organization (such as a Treasurer, CFO, or Controller)<sup>2</sup>, and their families are, for the purposes of these Bylaws, considered to be disqualified persons, as are any entities in which at least 35 percent (35%) of the control or beneficial interest is held by such a person.
02. An "Excess Benefit Transaction" is generally any transaction in which an economic benefit provided by the organization to, or for the use of, any disqualified person exceeds the value of consideration received by the organization in exchange for the benefit.
03. Calle 24 shall have all remedies available to it under law to remedy an Excess Benefit Transaction. Without limiting the foregoing, in the event that the Council determines that a proposed Transaction could be an excess benefit transaction, the Council shall have the power to prevent that Transaction or to determine other remedies for the Transaction, such as altering the terms to assure that Calle 24 receives consideration at or above fair market value and there is no excess benefit for any disqualified person. Every disqualified person shall cooperate with the Council's determinations in this regard. In the event that the Council decides that an actual

<sup>1</sup> <http://www.irs.gov/pub/irs-pdf/i990.pdf>, page 81, Appendix G

<sup>2</sup> <http://www.irs.gov/pub/irs-tege/eotopich02.pdf>

Transaction constituted an excess benefit transaction, the Council shall determine its remedies and all assets or their monetary equivalent shall be returned to Calle 24 by the Councilperson, Officer, or Committee Member for whom the Transaction was an excess benefit along with any gain or profits therefrom. Persons who engage in excess benefit transactions may be assessed penalties by the IRS. Calle 24 is required to disclose any excess benefit transactions on its federal tax return, and Councilpersons who approve excess benefit transactions knowing them to be excessive may also be subject to IRS penalties. The Council's determinations concerning excess benefit transactions are and shall be subject to review under the dispute resolution provisions in these Bylaws.

## **SECTION 5. CONFLICTS OF INTEREST POLICY**

The Council shall adopt a detailed Conflicts of Interest Policy and shall diligently require that any potential conflict of interest be fully disclosed and then addressed by the Council, including but not limited to bringing any such matter to a formal vote. Calle 24 shall have all remedies available to it under law to remedy a Conflict of Interest. Without limiting the foregoing, in the event that the Council determines that a proposed Transaction is a Conflict of Interest, the Council shall have the power to prevent that Transaction or determine other remedies for the Conflict of Interest. In the event that the Council decides that an actual Transaction constituted a Conflict of Interest, the Council shall determine its remedies and all assets or their monetary equivalent shall be returned by the Councilperson, Officer, or Committee Member for whom the Transaction was a Conflict of Interest to the organization along with any gain or profits therefrom.

## **SECTION 6. NO COMPENSATION OF COUNCILPERSONS OR OFFICERS**

Councilpersons, Officers, and Council Committee Members of the Organization shall serve as volunteers and without compensation in their capacity and within their scope of services as Councilpersons, Officers, and Council Committee Members, as the duties of Councilpersons, Officers, and Committee members are set out in these Bylaws or as such duties are delegated to Councilpersons, Officers, or Committee members from time to time by the Council or Council Committees. They shall be allowed advancement or reimbursement of reasonable expenses incurred in the performance of their regular duties as such duties are set out in these Bylaws.

## **SECTION 7. BOARD APPROVAL OF COMPENSATION**

01. Notwithstanding the above, Councilpersons, Officers, and Council Committee Members may be compensated for providing services, goods, or rental space at or below fair market value to Calle 24 when such services, goods, or space are in addition to and different from the scope of services that they freely provide to Calle 24 within the scope of their duties as volunteer Councilpersons, Officers, and Council Committee Members, so long as their compensation is determined in a manner consistent with the Conflicts of Interest Policy and the Council Approval of Compensation Policy, does not constitute an excess benefit transaction or private inurement, and provided that compensating that person does not result in the Council having too many Interested Councilpersons, as set out in Article 6, Section 4: Restriction Regarding Interested Councilpersons. However, no Councilperson shall be hired as a full- or part-time employee or independent contractor.



02. For the purposes of illustration, a Councilperson may not be compensated for attending Council or Council Committee meetings, or for doing the Council or Council Committee work delegated to that Councilperson in their role and capacity as a Councilperson. However, if the Council does not already have the maximum number of Interested Councilpersons, that person could be compensated at or below fair market value, for example, for catering Calle 24 events, for goods or property sold to the organization, or for office space rented to Calle 24, so long as that conflict of interest is disclosed and voted upon in accord with the Conflicts of Interest Policy, and on the condition that the compensation that Calle 24 pays for such services, goods, or space is set at or below fair market value in accord with Calle 24's Council Approval of Compensation policies.
03. When a Councilperson, Officer, or Council Committee Member (or their respective business or nonprofit) is compensated for services, goods, or space, in accord with the Council Approval of Compensation and Conflicts of Interest policies, the Council must consider comparable compensation information, deliberate, and expressly approve by formal resolution any compensation for services that will be paid to any Councilperson, Officer, Council Committee Member.
04. Calle 24's daily operations shall be managed by an Executive Director ("ED"). The ED's compensation must be set by the Council. In accord with the Council Approval of Compensation and Conflicts of Interest policies, the Council must consider comparable compensation information, deliberate, and expressly approve by formal resolution any compensation for services that will be paid to an ED. Initially, the Council shall hire the first ED of Calle 24 after receiving the recommendations of the Executive Committee.
05. The Council, after receiving the recommendations of the ED and Executive Committee shall establish compensation, hiring, and performance evaluation guidelines and standards for Calle 24 employees, contractors, and vendors that are subordinate to the ED. These guidelines may include but not be limited to salary ranges for various job descriptions. Subject to the Council's ultimate authority and consistent with its guidelines as amended from time to time, the Council expressly delegates the compensation, hiring, and performance evaluation of employees, contractors, and vendors that are subordinate to the ED to the ED, after one is hired, which ED may but is not obligated to seek the recommendations of the Executive Committee on specific hiring and salary decisions.

## **SECTION 8. LIMITATION OF LIABILITY OF COUNCILPERSONS AND OFFICERS**

The personal liability of Councilpersons and Officers for the debts, liabilities, or other obligations of the organization shall be limited to the greatest degree permitted by law under Section 5239 of the California Nonprofit Public Benefit Organization Law.

## **SECTION 9. INSURANCE FOR ORGANIZATIONAL LEADERS**

The organization shall carry and maintain Councilpersons and Officers insurance. The Council may adopt a resolution authorizing the purchase and maintenance of additional insurance on behalf of any agent of the organization (including a Councilperson, officer, employee or other agent of the organization) against any liability other than for violating provisions of law relating to self-dealing

(Section 5233 of the California Nonprofit Public Benefit Organization 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 organization would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Organization Law.

## **SECTION 10. INDEMNIFICATION BY ORGANIZATION**

01. Any Councilperson, Officer, employee or other agent of this organization who is served with a claim or notice of a claim related to or arising from their participation on behalf of the organization may tender that claim to the organization for defense, provided that the claim is tendered within fifteen (15) days of the time the tendering person receives the claim or notice of the claim. The tendering person shall fully and completely disclose to the organization all information concerning the claim with their tender, and shall cooperate fully with the organization in its review of the claim. The organization will in good faith and promptly review the claim or notice of claim, make inquiries about it and may, but is not obligated, to tender the claim or notice of a claim to its insurance carrier. Claims may or may not be covered by the organization's insurance policies. Nothing herein obligates the organization or its insurance carrier to provide a defense to the tendering party, but the organization may elect to provide a defense to the tendering party. Any such election to provide a defense to a claim shall be by majority consent of the Council.
02. To the extent that a person who is, or was, a Councilperson, Officer, employee or other agent of this organization 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 organization, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.
03. 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 organization but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Organization Law.

## **SECTION 11. NON-VOTING MEMBERS AND AFFILIATES**

This organization may, but is not obligated, to establish non-voting groups of affiliates who desire to identify themselves with and support the organization, in the manner that some fine arts museums raise funds by making available non-Voting Memberships in their museums. Such non-voting affiliates shall have no liability for the organization or duties to it other than those established by the organization for participation in a particular category of non-voting affiliation.

# **ARTICLE 4: VOTING MEMBERS**

## **SECTION 1. DETERMINATION AND RIGHTS OF VOTING MEMBERS**

The organization shall have only one class of Voting Members. No member shall hold more than one membership in the organization. No member may vote twice, for example, a person may not vote both

as an individual and as a business or organizational member. Except as expressly provided in or authorized by the Articles of Incorporation or Bylaws of this organization, all memberships shall have the same rights, privileges, restrictions and conditions.

## **SECTION 2. QUALIFICATIONS OF VOTING MEMBERS**

The qualifications for membership in this organization are as follows:

01. Participate in Calle 24 by:

- a. owning or managing a business, school, or nonprofit organization located in the Latino Cultural District, **or**
- b. by living in the Latino Cultural District, **or**
- c. by volunteering on one of the Calle 24 committees, **or**
- d. by volunteering for one of the events held in the Latino Cultural District and endorsed by Calle 24, such as but not limited to Carnaval, Cesar Chavez Holiday Commemoration, or Dia de Los Muertos), **or**
- e. by volunteering with one of the nonprofits located in the Latino Cultural District; **and**

02. Support the mission and vision of the Calle 24 Latino Cultural District; **and**

03. Reflect Calle 24 constituencies; **and**

04. Adhere to Calle 24's code of good conduct, when it is developed; **and**

05. Be current on membership dues, if any are in effect pursuant to Section 4 below; **or**

06. Be recognized by the Calle 24 Council as having made an important historical contribution to the Latino Cultural District's mission and vision;

## **SECTION 3. ADMISSION OF VOTING MEMBERS**

Applicants shall be admitted to membership upon filling out an application and verification of their participation as set out in Section 2 above and shall be members in good standing as long as they pay their annual dues pursuant to Section 4.02 below, and they have not been terminated according to the procedures in these Bylaws.

## **SECTION 4. VOTING MEMBERSHIP FEES, DUES AND ASSESSMENTS**

01. No application fee will be charged.

02. There shall be annual dues payable to the organization by members pursuant to their membership status as individuals, nonprofits, or businesses, in amounts to be determined no more often than annually by a Supermajority vote of the Council.

03. Memberships shall be non-assessable.

#### **SECTION 5. NUMBER OF VOTING MEMBERS**

There is no limit on the number of voting members the organization may admit.

#### **SECTION 6. RECORDS OF VOTING MEMBERS**

The organization shall keep a membership database containing the name and address of each member. Termination of the membership of any member shall be recorded in the database, together with the date of termination of such membership. Such book shall be kept at the organization's principal office and shall be available for inspection by any Councilperson or member of the organization during regular business hours.

The record of names and addresses of the members of this organization shall constitute the membership list of this organization and shall not be used, in whole or part, by any person for any purpose not reasonably related to a member's interest as a member.

#### **SECTION 7. NON-LIABILITY OF VOTING MEMBERS**

A member of this organization is not, as such, personally liable for the debts, liabilities, or obligations of the organization.

#### **SECTION 8. NON-TRANSFERABILITY OF VOTING MEMBERSHIPS**

No member may transfer a membership or any right arising therefrom. All rights of membership cease upon the member's death or incapacity.

#### **SECTION 9. TERMINATION OF VOTING MEMBERSHIP**

01. Grounds for Termination. The membership of a member shall terminate upon the occurrence of any of the following events:

- a. Upon his or her notice of such termination delivered to the President or Secretary of the organization personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail;
- b. Upon a determination by the Council that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the organization;
- c. A serious or repeated breaches of the code of good conduct; and
- d. The Member's death or determination by a Court that the Member is incompetent or the appointment of a guardian or conservator for the Member.

02. Procedure for Expulsion. If the grounds for expulsion is the Member's death or other reason in Section 9.01(d), the termination of the membership shall be automatic. If the proposed termination is for other grounds, the following procedure shall be implemented:

- a. Any proposal for termination of a membership must first be approved by the Membership Committee and then by the Council. Before the Council makes a final decision about terminating a membership, a notice shall be sent by email and by U.S. Priority mail to the last address of the member as shown on the organization's records, setting forth the reasons the Membership Committee recommends expulsion, and the date of the opportunity for the member to be heard by the Council. Such notice shall be sent at least fifteen (15) days before the date of the hearing before the Council.
- b. The member facing a vote of expulsion shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than ten (10) days before the effective date of the proposed expulsion. The hearing will be held by the Council in accordance with the quorum and voting rules set forth in these Bylaws applicable to the meetings of the Council. The notice to the member of his or her proposed expulsion shall state the date, time, and place of the hearing on his or her proposed expulsion; and
- c. Following the hearing, the Council shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the Council shall be final.

## **SECTION 10. RIGHTS ON TERMINATION OF VOTING MEMBERSHIP**

All rights of a member in the organization shall cease on termination of membership as herein provided.

# **ARTICLE 5: MEETINGS OF VOTING MEMBERS**

## **SECTION 1. PLACE OF MEETINGS OF VOTING MEMBERS**

01. Meetings of members shall be held at the principal office of the organization or at such other place or places within or without the Latino Cultural District of San Francisco as may be designated from time to time by resolution of the Council.
02. A meeting of the members may be conducted, in whole or in part, by electronic transmission (such as telephone) by and to the organization or by electronic video screen communication (1) if the organization implements reasonable measures to provide all members, whether attending in person, by electronic transmission, or by electronic video screen communication, a reasonable opportunity to hear and be heard by all the other participants in the meeting, and to vote on matters submitted to the members, substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the organization or electronic video screen communication, a record of that vote or action is maintained by the organization. Any request by an organization to a member for consent to conduct a meeting of members by electronic transmission by and to the organization, shall include a notice that absent consent of the member the meeting shall be held at a physical location in accordance with Subsection 01 above.

## **SECTION 2. ANNUAL AND OTHER REGULAR MEETINGS OF VOTING MEMBERS**

01. The Voting Members shall meet annually on the last Tuesday in March each year, at 6:30 P.M., for the purpose of electing Councilpersons and transacting other business as may come before the meeting. The meeting may be held annually in conjunction with a holiday reception.
02. The election of the Council will always be on the agenda of the Annual Membership Meeting, which election shall be conducted pursuant to the procedures set out in Section 12 of this Article 5. The annual meeting of members for the purpose of electing Councilpersons shall be deemed a regular meeting and any reference in these Bylaws to regular meetings of members refers to this annual meeting.
03. No other regular meetings of the members shall be held. Members may freely attend meetings of the Council, and may voice their non-binding opinions and ideas about the topics on the Council agenda, during the public comment section at every Council meeting or in forums organized from time-to-time by Calle 24 for more extensive public comment, such as community meetings, debates, town halls, and the like. Members (and the public) may NOT vote on Council meeting agenda items, where only duly elected Councilpersons may vote. The appropriate means for Voting Members to exercise their *voting* power is in and through electing Councilpersons, and they may call and duly notice special meetings of the Voting Members concerning other Calle 24 mission-rated matters pursuant to Sections 3 through 11 below.
04. If the day fixed for the annual meeting or other regular meetings falls on a legal holiday, such meeting shall be held at the same hour and place on the next business day.

## **SECTION 3. SPECIAL MEETINGS OF VOTING MEMBERS**

Special meetings of the members shall be called by the Council or by a written petition signed by ten percent (10%) or more of the Voting Members if the number of Voting Members is 500 or more, or by a written petition signed by twenty percent (20%) or more of the Voting Members if the number of members is less than 500.

## **SECTION 4. NOTICE OF MEETINGS OF VOTING MEMBERS**

01. Time of Notice. Whenever members are required or permitted to take action at a meeting, a written notice of the meeting shall be given by the Secretary of the organization not less than ten (10) nor more than ninety (90) days before the date of the meeting to each member who, on the record date for the notice of the meeting, is entitled to vote thereat, provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than twenty (20) days before the meeting.
02. Manner of Giving Notice. Notice of a members' meeting or any report shall be given personally, by electronic transmission pursuant to Section 13.01 of this Article, or by mail or other means of written communication, addressed to the member at the address of such member appearing on the books of the organization or given by the member to the organization for the purpose of notice. Notice shall be deemed to have been given at the time when delivered personally, electronically, or deposited in the mail or sent by telegram or other means of written communication.

03. Contents of Notice. Notice of a membership meeting shall state the place, date, and time of the meeting, the means of electronic transmission of the meeting by and to the organization or electronic video screen communication, if any, by which members may participate in that meeting, and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the Council, at the time notice is given, intends to present for action by the members. Subject to any provision to the contrary contained in these Bylaws, however, any proper matter may be presented at a regular meeting for such action. The notice of any meeting of members at which Councilpersons are to be elected shall include the names of all those who are nominees at the time notice is given to members.
04. Notice of Meetings Called by Members. If a special meeting is called by members as authorized by these Bylaws, the request for the meeting shall be submitted in writing, specifying the general nature of the business proposed to be transacted and shall be delivered personally or by electronic transmission pursuant to Section 13.02 of this Article, or sent by registered mail or by telegraph to the Chairperson of the Council, President, Vice President or Secretary of the organization. The officer receiving the request shall promptly cause notice to be given to the members entitled to vote that a meeting will be held, stating the date of the meeting. The date for such meeting shall be fixed by the Council and shall not be less than thirty-five (35) or more than ninety (90) days after the receipt of the request for the meeting by the officer. If the notice is not given within twenty (20) days after the receipt of the request, persons calling the meeting may give the notice themselves.
05. Waiver of Notice of Meetings. The transactions of any meeting of members, however called and noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by ballot, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by ballot, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Waiver of notices or consents need not specify either the business to be transacted or the purpose of any regular or special meeting of members, except that if action is taken or proposed to be taken for approval of any of the matters specified in Section 4.06, the waiver of notice or consent shall state the general nature of the proposal.
06. Special Notice Rules for Approving Certain Proposals. If an action is proposed to be taken or is taken with respect to the following proposals, such action shall be invalid unless unanimously approved by the voting members or unless the general nature of the proposal is stated in the notice of meeting or in any written waiver of notice:
- a. Removal of Councilpersons without cause;
  - b. Filling of vacancies on the Council by members;
  - c. Amending the Articles of Incorporation; and
  - d. An election to voluntarily wind up and dissolve the organization.

## 07. "Electronic Transmission"

- a. "Electronic Transmission by the organization" means a communication (a) delivered by fax or email when directed to the fax number or email address, respectively, for that recipient on record with the corporation, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form, such as being printed. Electronic transmissions by the organization to a person who is a member and an officer of the corporation, if communicated to the recipient in their capacity as a member, must comply with additional provisions of the California Corporations Code.<sup>3</sup>
- b. "Electronic Transmission to the organization" means a communication (a) delivered by fax or email when directed to the fax number or email address, respectively, which the organization has provided from time to time to members and Councilpersons for sending communications to the organization, (b) as to which the organization has placed in effect reasonable measures to verify that the sender is the person purporting to send the transmission, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form, such as being printed.<sup>4</sup>
- c. Notice given by Electronic Transmission by the organization shall be valid only if it complies with this Section.
- d. Notwithstanding the foregoing, notice shall not be given by Electronic Transmission by the organization after either of the following: (1) the organization is unable to deliver two consecutive notices to the member by that means; (2) the inability to so deliver the notices to the member becomes known to the Secretary, any assistant Secretary, or other person responsible for the giving of the notice.<sup>5</sup>

## **SECTION 5. QUORUM FOR MEETINGS OF VOTING MEMBERS**

01. A quorum for meetings shall consist of ten percent (10%) of the Voting Members of the organization.
02. The members 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 members from the meeting provided that any action taken after the loss of a quorum must be approved by at least a majority of the members required to constitute a quorum.
03. In the absence of a quorum, any meeting of the members may be adjourned from time to time by the vote of a majority of the votes represented in person at the meeting, but no other business shall be transacted at such meeting.

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<sup>3</sup> Cal Corp Code Section 20.

<sup>4</sup> Cal Corp Code Section 21

<sup>5</sup> Cal Corp Code Section 5511.



04. When a meeting is adjourned for lack of a sufficient number of members at the meeting or otherwise, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting. However, if after the 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. A meeting shall not be adjourned for more than forty-five (45) days.
05. Notwithstanding any other provision of this Article, if this organization authorizes members to conduct a meeting with a quorum of less than one-third (1/3) of the voting power, then, if less than one-third (1/3) of the voting power actually attends a regular meeting, in person, then no action may be taken on a matter unless the general nature of the matter was stated in the notice of the regular meeting. Any action may be taken at a regular members' meeting, whether or not it was stated in the notice of the meeting.

#### **SECTION 6. MAJORITY VOTE OF MEMBERS IS MEMBERSHIP ACTION**

Every act or decision done or made by a majority of Voting Members present in person at a duly held meeting at which a quorum is present is the act of the members, unless the law, the Articles of Incorporation of this organization, or these Bylaws require a greater number, such as the requirements of Section 3.06 above.

#### **SECTION 7. ONE VOTE PER VOTING MEMBER; MANNER OF CASTING VOTES**

Each member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote or ballot. Unless prohibited in the Articles or Bylaws, any action which may be taken at any regular or special meeting of Voting Members may be taken without a meeting if the corporation distributes a written ballot to every Voting Member entitled to vote on the matter. Unless otherwise provided by the Articles or Bylaws and if approved by the Council, that ballot and any related material may be sent by "Electronic Transmission" by the organization (Section 13.01 of this Article) and responses may be returned to the organization by Electronic Transmission to the organization (Section 13.02 of this Article). That ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the organization.<sup>6</sup> Election of Councilpersons to the Council, however, shall only be by ballot pursuant to Section 2 of this Article.

#### **SECTION 8. NO PROXY VOTING BY MEMBERS**

Members entitled to vote will not be permitted to vote or act by proxy. No provision in this or other sections of these Bylaws referring to proxy voting shall be construed to permit any member to vote or act by proxy.

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<sup>6</sup> Cal. Corp. Code Section 5513.

## **SECTION 9. RECORD DATE FOR MEETINGS OF THE VOTING MEMBERSHIP**

The record date for purposes of determining the members entitled to notice, voting rights, written ballot rights, or any other right with respect to a meeting of members or any other lawful membership action, shall be fixed pursuant to Section 5611 of the California Corporations Code.

## **SECTION 10. CONDUCT OF MEETING OF THE VOTING MEMBERS**

Meetings of members shall be presided over by the President of the organization or, in his or her absence, by the Vice President or, in the absence of both, by a Chairperson chosen by a majority of the Voting Members, present in person. The Secretary of the organization shall act as Secretary of all meetings of members, 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 the same rules which govern the Council, as set out in Article 3, Section 15 of these Bylaws, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this organization, or with any provision of law.

## **SECTION 11. VOTING MEMBERS' UNANIMOUS ACTION WITHOUT A MEETING**

The Voting Members may take any required or permitted action without a meeting if each and every Voting Member consents in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the Voting Members. The action by unanimous written consent of the Voting Members shall have the same force and effect as the unanimous vote of the Voting Members if taken at a regular or special meeting.

## **SECTION 12. REASONABLE PROCEDURES FOR COUNCIL NOMINATION AND ELECTION**

01. An election for the Council shall be held at the Annual Membership Meeting of the Voting Members. In accord with the procedures set out in this Section 12, the Nominating Committee shall determine which persons meet the criteria for being a Qualified Candidate for the Council in accord with these Bylaws, and will put those persons forward to the Council for consideration, including their resumes and other information on which the Nominating Committee's recommendation was based. Qualified Candidates' names will appear on the ballot.
02. Only Voting Members who have become Voting Members more than thirty (30) days before an election can vote in the election, and the date exactly thirty days before an election shall be the "Record Date;" that is, the date on which the organization checks its records to determine who is eligible to vote in the upcoming election.
03. All votes shall be counted and the winners announced at that Annual Membership Meeting. The election results shall also be posted on Calle 24's website.
04. There shall be two types of Council seats, Open and Reserve.
  - a. A "Reserve" seat shall be a seat that must be filled by Qualified Candidates who, if elected, will help the Council meet the representational demographics established in Article 6,

Section 6 (Qualification and Composition of the Council), given the composition of the Council seats then not up for election. An “Open” seat shall be a seat that anyone can run for without altering the composition of the board.

- b. 60 days before the election, the Nominating Committee will determine the number of Reserve seats by examining the makeup of the board and comparing it to the desired personnel categories as laid out in Art. 6 Sec. 6 of the Bylaws.
  - c. The Nominating Committee will post notice of the number of available seats and the qualifications for each available seat on the website 45 days before the election. Interested Candidates will have until 30 days before the election to apply to run for a seat with the Nominating Committee.
  - d. To run for a Reserve seat a Candidate must meet the qualifications for that seat as determined by the Nominating Committee. Any Candidate can run for an Open seat.
  - e. All Qualified Candidates must inform the Nominating Committee which category of seat they will run for. For instance if a Candidate is qualified for a Youth seat and an Artist seat, they must choose which seat to run for. No candidate shall run for a seat in more than one category or type.
  - f. The Nominating Committee shall be responsible for ensuring that there is at least one Qualified Candidate for each open seat on the Council.
05. The Nominating Committee shall determine which persons are Qualified Candidates for the Council.
06. The Council may interview and shall consider the Nominating Committee’s recommended Qualified Candidates, and shall vote to determine which of the Qualified Candidates shall be placed on the ballot for election to the Council. Only persons determined by the Nominating Committee and the Council to be Qualified Candidates may be elected by the Voting Members to serve on the Council.
07. In determining who shall be placed on the ballot for election to the Council, each member of the Council shall have one (1) vote for each Qualified Candidate, and each Qualified Candidate shall be voted on as either “Yes” or “No.” Each Qualified Candidate whom receives more Yes votes than No votes shall be placed on the ballot for election to the Council by the Voting Members. There may be more Qualified Candidates placed on the ballot than there are seats available on the Council. An abstention from voting on a Qualified Candidate for the ballot shall not be counted as a “Yes” or “No” vote. Cumulative voting by Councilpersons for the election of Councilpersons shall not be permitted.
08. Balloting shall be by secret ballot, where the identity of the person casting the ballot does not appear on the ballot, provided that the voter’s identity and eligibility to vote can be verified before the ballot itself is counted, for example, by the ballot being put into an envelope with the voter’s identity on the envelope, their eligibility to vote being verified before opening, and then the envelope opened and the ballot without identifying information being put into a sealed box of verified ballots cast, or similar procedures.

09. Voting Members not in attendance at the Annual Membership Meeting of the Voting Members shall be offered the opportunity to submit absentee votes over the internet before the Annual Membership Meeting by means of the organization distributing an internet voting ballot by means of a reputable nonprofit election service to each Voting Member entitled to vote in the election, provided that such internet voting process shall include a reasonable means of verifying the voter's eligibility to vote and identity, and a means of ensuring that each Voting Member can cast only one vote for each open seat on the Council. Cumulative voting shall not be permitted, and members may vote via the internet balloting process or at the Annual Meeting, but not both.
10. Ballots shall be sent to all Voting Members as of the record date for each election with sufficient notice of the Annual Membership Meeting as required by Article 5, Section 4 of these Bylaws, and shall include the following information:
- a. The date, place and start time of the Annual Membership Meeting;
  - b. The time during the Annual Membership Meeting at which balloting will be closed and after which no more votes may be cast;
  - c. The total number of ballots that must be cast in order to meet the quorum requirement;
  - d. The number of Council seats open in each demographic category (Article 6, Section 6) and the total number of open seats for election or re-election of Councilpersons;
  - e. The names of all Qualified Candidates nominated by the Nominating Committee to fill each of those open seats;
  - f. Each Qualified Candidate's biographical information, resume or CV, and other information relevant to support their Qualified Candidacy;
  - g. A place to specify "Yes" or "No" for each Qualified Candidate for each open seat on the Council, and provide that where the Voting Member specifies a choice of "Yes" or "No" with respect to any Qualified Candidate, the member's vote shall be counted as "cast" in accordance therewith, and no write in votes shall be counted;
  - h. That an abstention from voting "Yes" or "No" for a particular candidate shall not count as vote in the election for that open seat, but that ballot shall count toward establishing a quorum so long as there is at least one vote cast for any candidate;
  - i. The Qualified Candidate who receives the most "Yes" votes for each seat will be elected, or in the case where there is more than one seat of a category available, the Qualified Candidates who receive the most votes, up to the number of seats available, shall be elected;
  - j. No candidate who receives "Yes" votes totaling less than 50% of the total number of valid ballots cast will be elected;
  - k. Write-In Votes shall not count and shall not be counted; and

1. Each ballot shall be accompanied by voting instructions, and provide a reasonable time within which to return the ballot to the organization in order for the vote to be counted, not later than the time that voting at the Annual Membership Meeting closes.
11. No other campaign materials will be mailed or otherwise transmitted to the membership.
12. If the organization distributes any written election material soliciting votes for any nominee for Councilperson at the organization's expense, it shall make available, at the organization's expense, to each other nominee, in or with the same material, the same amount of space that is provided any other nominee, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.
13. A written ballot may not be revoked after its receipt by the organization.
14. If votes are to be cast by internet, then the internet votes shall not be revealed or counted except at the same time that the ballots cast at the Annual Membership Meeting are counted.
15. At least ten days before the Annual Meeting, the Council shall appoint a committee of three (3) persons not running for election to be responsible for counting ballots and reporting the election results at the Annual Membership Meeting.
16. All ballots shall be auditable by any Councilperson through the close of the annual meeting, and they may not be destroyed for ten years thereafter.
17. However, if the organization has five hundred (500) or more members, any of the additional nomination procedures specified in subsections (a) and (b) of Section 5221 of the California Nonprofit Public Benefit Corporation Law may be used to nominate persons for election to the Council.
18. If this organization has five thousand (5,000) or more members, then the nomination and election procedures specified in Section 5522 of the California Nonprofit Corporation Law shall be followed by this organization in nominating and electing persons to the Council.

## **ARTICLE 6: THE COUNCIL**

### **SECTION 1. INITIAL COUNCIL**

The initial Board of Directors shall consist of up to 19 of the Councilpersons of the unincorporated organization Lower 24<sup>th</sup> Street Merchants and Neighbors Association. The initial Council shall be responsible for enrolling voting members and arranging for and conducting the first election of an elected Council and shall be responsible for managing the nonprofit corporation during the transition.

### **SECTION 2. POWERS OF THE COUNCILPERSONS**

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this organization, the activities and affairs of this organization shall be conducted and all corporate powers shall be exercised by or under the direction of the Council.

Without altering the limitation of personal liability for individual volunteer directors under the California Corporations Code and these Bylaws, the Council as a body holds both the ultimate authority and the ultimate responsibility for the organization.

### **SECTION 3. DUTIES OF THE COUNCILPERSONS**

In exercising their powers, it shall be the duty of the Councilpersons to do the following, subject to the Council's authority to delegate these duties as necessary and appropriate to foster leadership and responsibility in Council or Advisory Committees, ED, and staff, while retaining its ultimate authority:

01. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this organization, by these Bylaws, or the Organization's Council Agreement;
02. Establish policy and strategic direction of and for the organization, and ensure compliance with such policies and direction, including but not limited to policies concerning Conflicts of Interest, Council Approval of Compensation, Document Retention, and a Whistleblower Policy;
03. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, contractors, vendors, and employees of the organization, and to ensure compliance with employment and labor laws;
04. Acting as a Council, shall supervise all officers, agents, employees, contractors, vendors and other relationships of the organization to assure that their duties are performed properly. However, individual Councilpersons acting on their own initiative and without the express formal approval of and delegation by the Council, shall not become involved with or micromanage the day-to-day operations of the organization, may not act as any employee's, vendor's, or contractor's manager, supervisor or Councilperson, and may not commence any investigations or audits;
05. Meet at such times and places as required by these Bylaws;
06. Register their addresses with the Secretary of the organization and notices of meetings mailed or transmitted to them at such addresses shall be valid notices thereof;
07. Act as a deliberative body and be the ultimate conflict resolution body internal to the organization, and the last internal appeals body after a conflict is handled by the Dispute Resolution Committee;
08. It shall be the duty of the Councilpersons to interpret and enforce the Bylaws, rules, and regulations of this organization, and to promote the objectives and purposes of the organization effectively, prudently, and enthusiastically. Councilpersons shall actively participate in fundraising and other organizational activities, and shall develop opportunities for the organization to expand its programs and activities. Councilpersons shall conduct themselves ethically, and uphold their duty of loyalty and duty of care to the organization, as set forth in California Organizations Code Section 5231 of the California Nonprofit Public Benefit Organization Law, or successor statutes.

#### **SECTION 4. NUMBER OF COUNCILPERSONS**

The organization shall have not more than nineteen (19) and not less than nine (9) Councilpersons, with the exact number to be fixed within these limits by approval of the Council or the members, if any, in the manner provided in these Bylaws. Collectively they shall be known as the Council. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

#### **SECTION 5. RESTRICTIONS REGARDING INTERESTED COUNCILPERSONS**

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Council may be interested persons. For purposes of this Section, "interested persons" means either:

01. Any person currently being compensated by the organization for services rendered it within the previous twelve (12) months, whether as a full- or part-time manager or other employee, independent contractor, or a person to whom rent or mortgages or other monies are being paid, or a major supplier of goods or services for money, or otherwise, excluding any reasonable compensation paid to a Councilperson as Councilperson; or
02. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

#### **SECTION 6. QUALIFICATION FOR & COMPOSITION OF THE COUNCIL**

Any "Qualified Candidate" may be elected to the Council. To achieve the three governance goals of Latino cultural continuity, the stability that arises from Councilpersons having long-term connections with and commitment to the neighborhood, and demographic diversity, these Bylaws establish a detailed set of criteria for the composition of the Council as a whole, and further criteria that every person seeking election to the Council must meet in order to be a Qualified Candidate. A Qualified Candidate must be a Voting Member in good standing, who has served the organization well as a volunteer and/or contributor, and whom has consistently complied with the Organization's governance standards, policies, and code of conduct. In addition, a Qualified Candidate must have:

01. The composition of the Council as a whole must:
  - a. have sixty percent (60%) of Councilpersons who are ethnically Latino;
  - b. sixty percent (60%) of Councilpersons who are "Long-Term" residents, business owners, or nonprofit executives or staff. For these purposes, "Long Term" shall mean the person, business, or nonprofit has resided for fifteen (15) or more years in the area that was established in 2014 by the City and County of San Francisco as the Latino Cultural District; and
  - c. have a minimum of one representative from each constituency that the LCD is designed to benefit, specifically:
    - (i) Residential tenants;

- (ii) Families (traditional, non-traditional, or extended);
- (iii) Artists,
- (iv) Youth;
- (v) Elders;
- (vi) Businesses headquartered and operating in the Latino Cultural District;
- (vii) Nonprofit arts and cultures organizations, educational institutions, and community service agencies headquartered, operating, or providing services extensively in the Latino Cultural District;
- (viii) Youth (24 years old or under) who live or work in the District.

02. EVERY Councilperson shall embrace and commit themselves to furthering the Mission and Vision Statements of Calle 24 Latino Cultural District, and meet one or more of the following criteria, either they have:

- a. Lived or worked in the Mission for ten or more years out of the last fifteen years; or
- b. Been born and raised in the Mission; or
- c. Have had a history of activism in support of the Latino Cultural District’s Mission; or
- d. After the end of the first year of the nonprofit corporation’s existence, have served reliably on one of the organization’s committees for at least one year.

03. Any revisions in the above criteria must be approved first by the Council and then by the Voting Members as an amendment to these Bylaws.

04. The Council shall publish on its website the above criteria for qualification for election to the Council that has been approved by the Council, and will thereafter publish via its website any revisions of such qualifications.

**SECTION 7. TERMS OF OFFICE OF COUNCILPERSONS**

The initial Council shall determine staggered initial terms for each of them of one, two, or three years to ensure that seats will come open for election at staggered times in the future. After that, Councilpersons shall serve two-year terms. There is no term limit on the number of terms for which a Councilperson may be re-elected.

**SECTION 8. VACANCIES, RESIGNATION, AND REMOVAL OF COUNCILPERSONS**

01. Vacancies on the Council shall exist:

- a. on the resignation, retirement, removal, legal incompetency, or death of any Councilperson;
- b. whenever the number of authorized Councilpersons is increased; and
- c. whenever the Council declares vacant the seat of any Councilperson who has been removed for Cause as defined below in sub-section 04 below.



02. Any Councilperson may resign effective upon giving written notice to the President of the Corporation, the Secretary, or the Council, unless the notice specifies a later time for the effectiveness of such resignation. No Councilperson may resign if the organization would then be left without a duly elected Councilperson or Councilpersons in charge of its affairs, except upon notice to the Attorney General.
03. Vacancies on the Council may be filled with Qualified Candidates nominated by the Nominating Committee by a majority vote of a quorum of the Council or, if the number of Councilpersons then in office is less than a quorum, by (1) the unanimous written consent of the Councilpersons then in office, (2) the affirmative vote of a majority of the Councilpersons then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining Councilperson. A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Council or until his or her death, resignation or removal from office. Notwithstanding anything herein to the contrary, a vacancy in the position of a designated Councilperson, if any, may only be filled by the designator of that Councilperson.
04. The members of this organization may elect a Councilperson at any time to fill any vacancy not filled by the Council.
05. Vacancies created by the removal of a Councilperson may be filled only by the being appointed by a supermajority vote of the Council, and that appointed Councilperson must stand for election at the next Annual Membership Meeting after his or her appointment.
06. Removal from the Council.
  - a. Removal is the most severe disciplinary action that can be taken against a Councilperson, and the Council shall develop and provide Councilpersons with a Council Code of Conduct, Council Agreement, and Policies and Procedures for warning and disciplining Councilpersons short of removal. The Council may amend or update that Code of Conduct, Council Agreement, and Policies and Procedures from time-to-time and doing so shall not be considered to be an amendment of these Bylaws. The President and at least one other Councilperson of the President's choice shall meet and confer with any Councilperson who may become the subject of a removal action before such action may be initiated.
  - b. Councilpersons may be removed without cause in accord with California Corp Code Section 5222; provided, however, that a designated Councilperson may only be removed without cause by the designator of that Councilperson or with the written consent of such designator. Otherwise, Councilpersons may not be removed from the Council before their term expires except for "Cause." "Cause" for removal consists of:
    - i. a determination that the Councilperson is legally incompetent by three qualified physicians, one of whom has been appointed by the Council, one of whom is chosen by the Councilperson subject to removal, and one selected by mutual agreement of the physicians selected by the Council and the subject Councilperson; or

- ii. a determination by the Council that the Councilperson has breached their fiduciary duty to Calle 24; has failed to cure a breach of the Council Agreement or a violation of the Articles, Bylaws, Code of Conduct, Ten Principles, or other Calle 24 Policies or Procedures within five days of receiving notice from the President of such breach or violation; has engaged in intentionally tortious misconduct; or is “Inactive” in Calle 24.
  - iii. “Inactive” means a failure to attend 9 of 12 Council meetings in any calendar year, without advance notice to the Council of the Councilperson’s inability to attend for good cause, such as having to travel on business, a family emergency, and the like.
- c. Before the Council can remove any Councilperson, the Councilperson or Councilpersons who believe the Councilperson should be removed must bring their concerns to the President, and the President and an Officer of the President’s choosing must meet with the Councilperson who is the subject of a complaint to evaluate the complaint and, if appropriate, give the subject Councilperson an opportunity to cure the behavior complained against. If the President is the Councilperson being considered for removal, the Vice President shall be the officer to whom the concerns are directed and shall otherwise carry out the role specified in this section for the President.
- d. In the event that the subject Councilperson refused to meet, or the problem is not satisfactorily resolved by the informal meet and confer process set out above, a removal action may be commenced. To commence a removal action, Such Notice and Motion to Remove a Councilperson will be prepared by the Councilperson or Councilpersons moving to remove another Councilperson. The Notice and Motion to Remove a Councilperson must set out with specificity: i) the sections of the articles, Bylaws, Code of Conduct, Council Agreement, Ten Principles or other Calle 24 Policies or Procedures that the Councilperson has allegedly violated; ii) the facts and circumstances of the alleged violation(s); and iii) any documents or other evidence supporting the allegations. The Notice and Motion to Remove a Councilperson shall be delivered to the Council Secretary and the chairperson of the Dispute Resolution Committee for a determination that the notice conforms to the requirements of a Notice and Motion to Remove a Councilperson set out in this section. If it is non-compliant with these requirements, the Council Secretary and chairperson of the Dispute Resolution Committee shall return it to the authors for revisions needed to bring it into compliance. If the Notice and Motion to Remove a Councilperson adequately complies with these requirements, the Council Secretary shall send the Notice and Motion to Remove a Councilperson to the subject Councilperson with a copy to all other Councilpersons by the fastest means possible, including personal delivery or delivery by email to the Councilperson’s last known address. Once a Notice and Motion to Remove a Councilperson is sent to the subject Councilperson, the Council shall schedule a meeting to decide upon the Motion to Remove not sooner than forty-five (45) days and no later than ninety (90) days after the written Notice and Motion to Remove a Councilperson.
- e. Before meeting to decide upon removal of the Councilperson, the Council shall provide an opportunity for that Councilperson to be heard, orally or in writing, at a formal hearing

under the auspices of the Dispute Resolution Committee. Such hearing shall be held not less than twenty (20) days before the date of the Council meeting at which the Notice and Motion to Remove a Councilperson will be voted upon. No vote on the issue of removal may take place until after that hearing.

- f. Councilpersons may be removed for "Cause" by a simple majority vote of the Council.

## **SECTION 9. PLACE OF COUNCIL MEETINGS**

Meetings shall be held at the principal office of the organization unless otherwise provided by the Council or at such place within or without the State of California that has been designated from time to time by resolution of the Council. In the absence of such designation, any meeting not held at the principal office of the organization shall be valid only if held on the written consent of all Councilpersons given either before or after the meeting and filed with the Secretary of the organization or after all Councilpersons have been given written notice of the meeting as hereinafter provided for special meetings of the Council.

## **SECTION 10. REGULAR COUNCIL MEETINGS**

01. Regular meetings of the Council shall be held monthly on the last Tuesday of each month at 6:30 p.m., unless such day falls on a holiday, in which event the regular meeting shall be held at the same hour and place on the following Tuesday.
02. The Council may by unanimous consent change the date and time of the regular monthly Council meeting without such change being construed to be an amendment of these Bylaws.
03. The date and time of the Council's regular meetings shall be posted on the Calle 24 website, and there shall be an opportunity for limited public comment at each meeting.

## **SECTION 11. SPECIAL COUNCIL MEETINGS**

Special meetings of the Council may be called by the President, the Vice President, the Secretary, or by any two Councilpersons, and such meetings shall be held at the place, within or without the 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 organization.

## **SECTION 12. ANNUAL COUNCIL MEETINGS**

Annual meetings of the Council shall be held within 60 days of the end of the organization's fiscal year. The election shall be held in accordance with the procedures set out in Article 5 above.

## **SECTION 13. NOTICE OF COUNCIL MEETINGS**

01. Notice of all Council meetings, if such notice is required, shall specify the place, day and hour of the meeting. The purpose of any regular Council meeting need not be specified in the notice. Such notices shall be addressed to each Councilperson at his or her email address as shown on the books of the organization.

02. Regular meetings of the Council that are held at the times and places regularly established by the Council for regular meetings of the Council may be held without notice.
03. Special meetings of the Council shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by fax or email. If sent by mail, the notice shall be deemed to be delivered on its deposit in the mails or on its transmission by fax or email. The purpose of and agenda for any special meeting of the Council must be described, at least generally, in the special meeting notice.
04. Notice of the time and place of holding an adjourned meeting shall be given to Councilpersons absent from the adjourned meeting, and such notices need not specify the purposes or agenda for the rescheduled meeting, if the purpose and agenda for the rescheduled meeting is the same as that for the adjourned meeting, or if it is a regular meeting.

#### **SECTION 14. WAIVER OF NOTICE & CONSENT TO HOLDING COUNCIL MEETINGS**

The transactions of any meeting of the Council, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided that a quorum is present and provided that either before or after the meeting each Councilperson 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 minutes of the meeting.

#### **SECTION 15. QUORUM FOR COUNCIL MEETINGS**

01. At all meetings of the Council, fifty-one percent (51%) of the total number of Councilpersons who are elected or designated to the Council shall constitute a quorum for the transaction of business. For example, if seventeen (17) Councilpersons have been elected or designated to serve on the Council, then a meeting has a quorum when (9) Councilpersons are in attendance.
02. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this organization, or Bylaw, no business shall be considered by the Council at any meeting at which a quorum 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 Councilpersons present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Council.
03. When a meeting is adjourned for lack of a quorum, the Councilpersons shall be given notice of the time and place the adjourned meeting will be reconvened, but it shall not be necessary to give any additional notice of the business to be transacted at such meeting, presuming that the agenda will be the same as it was for the adjourned meeting.
04. The Councilpersons 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 during the meeting due to a departure of Councilpersons 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 Bylaws of this organization.

05. Pursuant to Cal. Corp. Code Section 5211(c), no Councilperson may vote by proxy; each Councilperson entitled to vote must cast his or her own vote and shall not delegate the power to vote to anyone by a written proxy. Any proxy covering matters for which a vote is required shall not be valid.

## **SECTION 16. CONDUCT OF COUNCIL MEETINGS; ELECTRONIC MEETINGS**

01. Any regular, special, or annual meeting of the Councilpersons may be conducted, in whole or in part, by telephonic or electronic transmission, or by electronic video screen communication, or similar methods, so long as all Councilpersons can hear and interact with one another nearly simultaneously, including having an opportunity to read, hear, and participate in the proceedings of the meeting substantially concurrently with other Councilpersons participating, and by methods that provide the Councilpersons with an effective means to vote on matters submitted to the Councilpersons. As with all meetings, a record of that vote or action must be maintained by the organization.
02. Meetings of the Council are open to the public, who may participate in the public comment section of the meeting, or as permitted by the meeting chair in question and answer sessions and the like as set on the meeting agenda, but who may not vote. If people who are not Councilpersons are repeatedly disruptive of the Council's orderly conduct of business, they may be asked to and shall leave the meeting, and not be permitted to return.
03. All meetings of the Council shall be presided over by the President, and the meetings shall be chaired by a Councilperson appointed by the President, whose title shall be Meeting Chair. Council retreats may be led by a facilitator chosen by the Council. The Secretary of the organization shall act as secretary of all meetings of the Council, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.
04. Meetings shall be governed by respect and consideration for the opinions and ideas of all Councilpersons, with an effort made to reach a consensus on all matters, although consensus is not required for most Council decisions. Each Councilperson shall have the opportunity to speak, though the Meeting Chair may limit the time each Councilperson is allowed to speak in order to facilitate the efficient conduct of meetings and give every Councilperson the chance to be heard if they wish to speak. Each act or decision of the Council must be made with a formal motion, duly seconded by another Councilperson. Councilpersons may call for points of order, or ask for clarification of the motion or topic under discussion, and will be recognized and briefly answered before discussion continues, but may not use this privilege to obstruct the conduct of the meeting. The Meeting Chair may call for an end to discussion and a vote on the matter under discussion at any time after each Councilperson who desires to be heard on the matter is heard at least once. These rules shall govern the conduct of the Council meetings until the Council changes them, which changes in meeting protocol shall not be construed to be an amendment of these Bylaws.

## **SECTION 17. VOTES REQUIRED FOR COUNCIL DECISIONS**

01. Each Councilperson on the Council shall be entitled to one (1) vote. Pursuant to Cal. Corp. Code Section 5211(c), no Councilperson may vote at any meeting by proxy.

02. A “**Simple Majority**” shall mean a vote of fifty-one percent (51%) of all of the Councilpersons participating in a meeting where a quorum has been established.
03. A “**Majority of the Council**” shall mean a vote of a majority (51%) of Councilpersons then in office, regardless of how many are present at a meeting.
04. A “**Majority of Authorized Councilpersons**” shall mean a majority of all Councilpersons authorized under the Bylaws, regardless of how many Councilpersons are then in office or in attendance at a meeting.
05. A “**Supermajority**” shall mean a vote of two-thirds (2/3) of the Councilpersons participating in a meeting where a quorum has been established. “Consensus” or “Unanimous Consent” shall mean one hundred percent (100%) of the Councilpersons participating in a meeting where a quorum has been established.
06. All acts or decisions taken by the Council on **Major Matters** shall require the Unanimous Consent of all the Councilpersons participating in a meeting where a quorum has been established. Major matters include, but are not limited to the following:
  - a. Approval of contracts or transactions in which a Councilperson has a material financial interest;
  - b. Any transaction in which a Councilperson, Officer, Council or Advisory Committee Member, or ED, or any other person such as a spouse, son, daughter, parent, or domestic partner of that person that would transform an existing disinterested Councilperson into an interested Councilperson; and
  - c. Any item designated by a Supermajority vote of the Councilpersons to be a Major Matter.
07. Decisions that require a **Supermajority** vote of the Councilpersons participating in a meeting at which a quorum is present include:
  - a. Indemnification of a Councilperson;
  - b. Sale or acquisition of assets (by purchase or lease) valued over \$30,000.00;
  - c. Entry into contractual agreements valued at \$1,000,000.00 or over;
  - d. All decisions involving the lump sum expenditure or potential expenditure of more than \$50,000.00;
  - e. All decisions involving borrowing money in the organization’s name, or to finance any part of the purchase price of the organization’s properties in amounts over \$25,000.00;
  - f. Accepting donations of real property or shares of stock;
  - g. Any matter designated by a Supermajority vote of the Councilpersons to require a Supermajority vote; and

- h. Determination that a matter is a Major Matter requiring unanimous consent of the Council.
08. The following decisions shall be made only by a Majority of the Council (a vote of a majority (51%) of Councilpersons then in office), regardless of how many are present at a meeting):
- a. Dissolution or Termination of the Corporation; and
  - b. Creation of Council Executive Committees and appointments of Councilpersons to Council Executive Committees, as defined in Article 7 below.
09. All other decisions of the Council may be made by a Simple Majority vote. A Simple Majority vote shall be deemed an act of the Council unless the Articles of Incorporation or Bylaws of this organization, or provisions of the California Nonprofit Public Benefit Organization Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Councilperson has a material financial interest (Section 5233), and indemnification of Councilpersons (Section 5238(e)), require a greater percentage or different voting rules for approval of a matter by the Council.

## **SECTION 18. COUNCIL’S UNANIMOUS ACTION WITHOUT A MEETING**

Any action required or permitted to be taken by the Council under any provision of these Bylaws or law may be taken without a meeting, if all members of the Council shall individually or collectively consent in writing to such action. Email or internet consent is permitted only if the Councilperson signs a form delivered to the Secretary or other authorized officer that fully sets out the resolution to which the Councilperson is consented, and not by a simple “yes” response to an email thread. For the purposes of this Section only, “all members of the Council” shall not include any “Interested Director” as defined in Section 5233 of the California Nonprofit Public Benefit Organization Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Council. Such action by written consent shall have the same force and effect as the unanimous vote of the Councilpersons. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Council without a meeting and that the Bylaws of this organization authorize the Councilpersons to so act, and such statement shall be prima facie evidence of such authority.

## **ARTICLE 7: COMMITTEES OF THE COUNCIL**

### **SECTION 1. APPOINTMENT OF COMMITTEES**

01. **Executive Committees.** The Council may appoint standing Council Committees as it may deem desirable. Council Committees set out in these Bylaws will be activated and staffed with Councilpersons as reasonably required as the organization develops and grows; nothing herein requires all of the committees set out in these Bylaws to be fully staffed before the Council determines that they are reasonably required, and no liability shall attach to the Council or any Councilperson if a Council Committee set out in these Bylaws is not activated or staffed. The Executive Committee and Nominating Committee will be consistently activated and staffed, and a separate Audit Committee shall be activated and staffed when the organization’s annual

revenues reach two million dollars (\$2,000,000.00) or above annually, including the annual revenues of all the organization's subsidiaries. Executive Committees exercise the authority of the Council, are empowered to act for and on behalf of the Council, and may bind the organization just as the Council may bind the organization. Any Council Committee that exercises the authority of the Council shall be referred to by this organization as an "Executive Committee." These Executive Committees must be comprised only of Councilpersons, and no Executive Committee may exist without at least two Councilpersons on the Committee. Only duly appointed Executive Committee members who are Councilpersons may vote on that committee's business. Persons who are not Councilpersons may be invited to attend committee meetings by the committee, and may contribute to discussion, but may not vote. Minutes of all Executive Committee meetings must be taken and retained in the formal records of the organization. The Council may delegate to an Executive Committee any of the powers and authority of the Council in the management of the business and affairs of the organization, except that it may not delegate matters with respect to:

- a. The approval of any action which, under law or the provisions of these Bylaws, requires the unanimous approval of the Councilpersons or of a Supermajority (as defined above) of the Councilpersons;
- b. The filling of vacancies on the Council or on any committee which has the authority of the Council;
- c. The fixing of compensation of the Councilpersons for serving on the Council or on any committee, or fixing the compensation of any Officers (including the ED) or Councilpersons retained by the organization to provide services, goods, or facilities in addition to their volunteer scope of services rendered to and on the Council or Council Committees;
- d. The amendment or repeal of Bylaws or the adoption of new Bylaws;
- e. The amendment or repeal or any resolution of the Council which by its express terms is not so amendable or repealable;
- f. The appointment of Committees of the Council or the members thereof;
- g. The expenditure of corporate funds to support a nominee for Councilperson after there are more people nominated for Councilperson than can be elected; and
- h. The approval of any transaction to which this organization is a party and in which one or more of the Councilpersons has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Organization Law.

By a consensus of its Councilpersons then in office, the Council may at any time revoke or modify any or all of the authority delegated to any Executive Committee, increase or decrease but not below two (2) the number of the Executive Committee's members, and fill vacancies therein from among Councilpersons.



02. **Advisory Committees.** The Council also may appoint standing or temporary advisory committees as it deems desirable. Persons who are not Councilpersons may be appointed to serve on and vote in advisory committees. Advisory committee members may include Voting Members, staff, contractors, and volunteers with experience or expertise in the committee's area of responsibility. Pursuant to California Corporations Code Section 5212, any committee that includes persons who are not Councilpersons may not exercise the authority of the Council, and therefore advisory committees do not and shall not exercise the authority of the Council. Only duly appointed advisory committee members, including those who are not Councilpersons, may vote on that advisory committee's business. Advisory committees' recommendations are not binding upon the Council and must come to the Council for approval.
03. The Council by a Majority of the Council (a majority of the Councilpersons then in office) shall appoint persons to serve on committees, shall appoint the Chair of every committee, and may remove committee members and committee Chairs. Every Councilperson must sit on at least one Committee.
04. All Council committees shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Council. All Council committees shall assist the Council in overseeing and managing the programs and governance of the organization, and shall support, but not direct or supervise the staff of the organization. The Council committees initially shall be those set out below, and the duties and scope of responsibility of these Council committees may be added to or changed by a Simple Majority vote of the Council without such change being considered an amendment of these Bylaws. All changes in the duties and scope of responsibility of any Council committees must be stated in a formal Council resolution in Council minutes. So that changes in the duties and scope of responsibility of any Council committee remain quickly accessible, such resolutions shall be excerpted from the minutes, the excerpts shall be dated and certified by the Secretary, and stored immediately behind these Bylaws in the corporate record book, in addition to being part of the complete Council meeting minutes. All committees of the Council are required to keep the Council informed about their work and actions taken within their authority. Councilpersons who are not appointed to sit on a committee may attend meetings of any committee as a guest, if they wish to do so, but the organization shall have no obligation to pay travel or other expenses for Councilpersons who choose to sit in on meetings as guests.
05. The committees shall support and work collegially with the organization's staff, and shall not micromanage or direct the staff, or undercut the authority of the ED or key senior staff. Key senior staff and the ED may ask Council or Advisory Committees for support and expertise on projects by submitting requests to the Committee Chair and/or attending committee meetings, and the volunteer committee members will consider it a top priority to evaluate and where reasonably prudent, to meet the requests made by staff to the committees through the formal channels for such requests.
06. The Council by resolution may establish such other temporary or standing committees or task forces as may be needed from time-to-time.

### **SECTION 3. COMMITTEE MEETINGS AND MINUTES**

01. Meetings and action of all committees shall be governed by, noticed, conducted and taken in accordance with the provisions of these Bylaws concerning meetings of the Council, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Council and its Councilpersons, except that the time for regular meetings of committees may be fixed by resolution of the Council or by the committee. The time for special meetings of committees may also be fixed by the Council or by the committee.
02. The Council 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 these Bylaws.
03. Every Committee shall keep regular minutes of its proceedings, which shall be available for inspection in accord with the Bylaws, California Corporations Code, and applicable laws and regulations. All committees shall cause their minutes to be filed with the corporate records, and shall report upon their proceedings to the Council from time to time as the Council may require.
04. By a Supermajority vote, the Council may at any time revoke or modify any or all of the authority delegated to any committee, increase or decrease but not below two (2) the number of a committee's members, and fill vacancies therein from the members of the Council.

### **SECTION 4. EXECUTIVE COMMITTEE**

The Officers of the organization shall serve as the Council's Executive Committee. The Council may delegate to the Executive Committee any of the powers and authority of the Council in the management of the business and affairs of the organization, except with respect to:

01. The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the members or of a majority of all of the members;
02. The filling of vacancies on the Council or on any committee which has the authority of the Council;
03. The fixing of compensation of the Councilpersons for serving on the Council or on any committee;
04. The amendment or repeal of Bylaws or the adoption of new Bylaws;
05. The amendment or repeal or any resolution of the Council which by its express terms is not so amendable or repealable;
06. The appointment of committees of the Council or the members thereof;
07. The expenditure of corporate funds to support a nominee for Councilperson after there are more people nominated for Councilperson than can be elected; and

08. The approval of any transaction to which this organization is a party and in which one or more of the Councilpersons has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

## **SECTION 5. LAND USE, DESIGN, AND HOUSING COMMITTEE**

The Land Use, Design, and Housing Committee is a standing program advisory committee to the Council, focused on conducting and, when Calle 24 has staff, assisting and overseeing staff efforts to conduct the following program activities:

01. A Special Use District campaign and operation, if such Special Use District is established;
02. advocating for affordable genuinely affordable and low-income housing and related infrastructure in the District, including promoting education about financial literacy, home ownership, and tenants' rights;
03. advocating for certificates of preference that would allow long-time residents who have been forced out of the District by waves of gentrification to return;
04. Establishing new housing opportunities in the District;
05. Advocating for height limits & design guidelines; and
06. Engaging in activism and advocacy to ensure that new development in the Mission is responsive to and reflective of the Latino Cultural District.

## **SECTION 6. ECONOMIC VITALITY COMMITTEE**

The Economic Vitality Committee is a standing program advisory committee to the Council, focused on conducting and, when Calle 24 has staff, assisting and overseeing staff efforts to conduct the following program activities:

01. Providing technical and lease assistance and training for small businesses;
02. Attracting and retaining culturally relevant businesses;
03. Sourcing and installing neighborhood identity enhancements, such as arches, tiles, banderas, and/or plaques that identify and distinguish the District from surrounding areas, in collaboration with the Cultural Assets and Arts Committee; and
04. Developing a neighborhood-based communications infrastructure, and promotion of the District through traditional and social media.

## **SECTION 7. CULTURAL ASSETS AND ARTS COMMITTEE**

The Cultural Assets and Arts Committee is a standing program advisory committee to the Council, focused on conducting and, when Calle 24 has staff, assisting and overseeing staff efforts to conduct the following program activities:

01. Promoting, participating in, and supporting traditional culture-critical community events, such as Carnaval, Dia de Los Muertos, and the Chavez Holiday Commemoration;
02. Identifying and preserving cultural assets;
03. In collaboration with the Economic Vitality Committee, designing, sourcing and installing corridor monuments, arts projects, a walk of fame, light pole signs, and the like; and
04. Foster collaboration amongst the Latino Cultural District arts organizations.

## **SECTION 8. QUALITY OF LIFE COMMITTEE**

The Quality of Life Committee is a standing program advisory committee to the Council, focused on conducting and, when Calle 24 has staff, assisting and overseeing staff efforts to conduct the following program activities:

01. Fostering neighborhood safety in a culturally sensitive manner that includes respect for all people, including the homeless;
02. Abating graffiti in a culturally sensitive manner that fosters spray can art;
03. Preserving street parking, public transit, and walking options;
04. Preserving open space, light, air, trees, and other quality of life features of Calle 24; and
05. Organizing community forums from time-to-time for more extensive public comment, such as community meetings, debates, town halls, and the like.

## **SECTION 9: ADVISORY COMMITTEE**

01. The Advisory Council is an advisory committee to the Council. It is comprised of individuals who bring unique knowledge and skills to the organization which complement the knowledge and skills of the elected Councilpersons in order to more effectively govern and raise the funds necessary to support the organization. Advisory Councilpersonship may also be used to maintain formal and visible relationships with people who have particularly strong status or relationships with the organization, for example, people whose terms have expired on the governing Council, leaders in the community and people with highly respected skills in certain program areas that are not within the parameters of other Committees.
02. The Advisory Council does not exercise the authority of the Council; that is, the Advisory Council cannot issue directives that must be followed as in the case with the governing Council, nor can it bind the organization to contracts. Rather, the Advisory Council serves to make recommendations and/or provide key information, financing, and materials to the Council.

## **SECTION 10. AUDIT & FINANCE COMMITTEE**

The Audit & Finance Committee of the Council is an Executive Committee and will have the oversight responsibility, authority, and specific duties as described in this section. The Finance Committee will be comprised of three or more Councilpersons, as determined by the Council. The Finance Committee's primary function is to assist the Council in fulfilling its oversight responsibilities with respect to the annual budget of organization and changes thereto. The Finance Committee may not approve the organization's annual budget, which responsibility is reserved to the Council, but it shall make recommendations to the Council concerning annual budgets. Once the annual budget has been approved by the Council, the Finance Committee has the following powers: i) it may reallocate funds within the budget; and ii) it may increase spending by up to five percent (5%) over the approved annual budget for the applicable year; provided, however, that it also practically and effectively provides for increased income in order to cover the increased expenses. Outside auditors and non-audit accountants must maintain an open and transparent relationship with the Finance Committee. In that regard, the Finance Committee will have access to the organization's external professionals to render advice and counsel in such matters. The Finance Committee is to meet at least six times annually and as many additional times as the Finance Committee deems necessary. The Finance Committee chair should approve the content of the agenda for each Finance committee meeting. The Finance Committee shall meet with the outside non-audit CPAs at least once annually and at other times when it determines is appropriate, and may meet with the auditors. In carrying out its oversight responsibilities, the Finance Committee will:

01. Generally, as part of the review of the annual financial statements, receive an oral or written report (at least annually) from the organization's general counsel regarding legal and regulatory matters that may have a material impact on financial statements.
02. Receive, review and comment upon the ED's proposed annual budget, and timely approve the final proposed budget for submission to the entire Council for approval; work with the ED to ensure compliance with any budgetary changes required by the Council, and review the ED's monthly financial reports for compliance with the approved annual budget.
03. Review, comment and approve the draft annual report for final Council review and approval.

## **SECTION 11. DISPUTE RESOLUTION COMMITTEE**

01. Place of First Resort: The Dispute Resolution Committee is an advisory committee of the Council. The preferred dispute resolution technique of the organization self-reliance, where people and groups who may have a dispute to try to work things out among themselves. Where peaceful and respectful negotiation among people or groups does not resolve a problem, the place of first resort is the Dispute Resolution Committee. The Dispute Resolution Committee shall be the first "hearing" place of and for grievances and complaints of violations of the organization's conflicts of interest policies, violations of the restrictions on private inurement or excess benefit transactions, violations of any code of conduct, proceedings to discipline or remove a Councilperson, disputes between Councilpersons, and all Council, Committee, vendor, contractor, and program participant and organizational community disputes. An exception to this place-of-first-resort rule is employee grievances, which must first be addressed by the procedures set out in the Employee Handbook, and then if unresolved, to the Human Resources/Personnel Committee.

02. Methods: This Committee shall serve as mediators in attempting to resolve disputes, and shall use its best judgment concerning dispute resolution techniques, and may supplement its work with additional mediation and dispute resolution techniques, volunteers, and professionals, provided it remains within a budget allocated by the Council.
03. Procedures: The Dispute Resolution Committee shall establish a procedure for filing and hearing and deciding upon a complaint or grievance. It shall establish a set of incremental levels of disciplinary action for Councilpersons, from a simple written warning, a notice to cure, a vote of censure, up to and through removal of a Councilperson from the Council. The levels set out herein are illustrative and not binding and any change in them shall not be construed to be a change in these Bylaws.
04. The Dispute Resolution Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Council from time to time as the Council may require, except that minutes of privileged attorney/client communications and personnel matters shall not appear in the regular minutes, and shall be kept separately.

## **SECTION 12. NOMINATING COMMITTEE**

01. The Nominating Committee is an Advisory Committee and shall determine who is a Qualified Candidate for the Council and the Advisory Council. No one may be elected to the Council unless the Nominating Committee has duly determined them to be Qualified Candidate.
02. The Nominating Committee shall be composed of up to three Voting Members chosen by the Voting Members and up to two Councilpersons chosen by unanimous consent of the Council to serve on the Nominating Committee. If insufficient numbers of Voting Members or Councilpersons are willing to serve, the Nominating Committee may operate with as many Voting Members or Councilpersons whom are willing to serve, even and including operating with only one Nominating Committee Member, which may be either a Voting Member or a Councilperson.
03. Each member of the Nominating Committee shall have one (1) vote and the decision whether a person nominated for election to the Council shall be a Qualified Candidate shall be made by a two-thirds majority of the Nominating Committee.
04. At least annually, and beginning at least ninety (90) days before the annual membership meeting, Members of the Nominating Committee shall review all applications and nominations for the Council, may propose and recruit additional nominees, shall determine the eligibility of each nominee to be Qualified Candidate for the Council, verify the Qualified Candidate's willingness to serve, and then shall prepare a report and recommendations for the Council, including all Qualified Candidates.
05. The Nominating Committee shall make its report and recommendations of Qualified Candidates to the Council at least forty-five (45) days before the date of the annual membership meeting to elect Councilpersons, or at such other times as the Council may set in connection with filling Council vacancies or special elections.

06. The Council shall review the Nominating Committee's recommendations, and shall do as required in Article 6 above.
07. The Nominating Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Council from time to time as the Council may require, except that minutes of privileged attorney/client communications and personnel matters shall not appear in the regular minutes, and shall be kept separately.

## **ARTICLE 8: OFFICERS**

### **SECTION 1. NUMBER OF OFFICERS**

The officers of the organization shall be a President, a Vice President, a Secretary, and a Treasurer. Any number of offices may be held by the same person except that neither Secretary nor Treasurer may serve as the President. A Majority of the Council may create additional officers or subordinate officers (such as an assistant Secretary, or an additional Vice President).

### **SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE FOR OFFICERS**

Any Councilperson in good standing may be elected by the Council to serve as an officer of this organization. Officers shall be elected by the Council, at its annual Council meeting, or any time an office becomes vacant for any reason. Each officer elected 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. It is preferred, though not required, that persons standing for election as officers serve for at least one year on the Council prior to being nominated as a candidate for Officer of the organization. Any number of offices may be held by the same person except that neither Secretary nor Treasurer may serve as the President. A Majority of the Council may create additional officers or subordinate officers (such as an assistant Secretary) for a limited duration.

### **SECTION 3. REMOVAL AND RESIGNATION OF OFFICERS**

Any officer may be removed, either with or without cause, by the Council, at any time. Any officer may resign at any time by giving written notice to the Council 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 Council relating to the employment of any officer of the organization.

### **SECTION 4. VACANCIES OF OFFICERS**

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

## **SECTION 5. DUTIES OF PRESIDENT**

The President shall be the highest ranking officer of the organization and shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this organization, or by these Bylaws, or which may be prescribed from time to time by the Council. In particular, but without limitation, the President shall serve as the coordinator of the Council, and shall be responsible for the morale and effectiveness of the Council. The President shall be entitled to vote on all matters. The President may chair Council meetings, or may appoint another Councilperson to serve as the Meeting Chair. Unless and until a staff chief executive officer or executive Councilperson is hired, or as otherwise provided by law, by the Articles, or by these Bylaws, the President shall, in the name of the organization, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Council. Specific duties of the President include, but are not limited to, the following:

01. maintaining close communication with the Executive Director about the day to day affairs of the organization, including attending regular meetings with the Executive Director;
02. recruiting Councilpersons to work on committees, and ensuring each committee member, including the President, has potential sources of grant money or other funding they will pursue and secure during their tenure;
03. motivating and providing support for the other Officers;
04. motivating and providing support for the committee chairpersons, and attending committee meetings periodically; and
05. coordinating networking and diplomacy for the organization at community and governmental meetings and events related to the work of the organization, including presenting a list of upcoming meetings and events at each Council meeting, and reporting back to the Council on meetings and events attended.

## **SECTION 6. DUTIES OF VICE PRESIDENT**

In the absence of the President, or in the event of the President's 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 delegated by the Council, or by the President to assist the President in fulfilling the President's duties.

## **SECTION 7. DUTIES OF SECRETARY**

The Secretary shall:

01. Certify and keep at the principal office of the organization the original, or a copy of these Bylaws as amended or otherwise altered to date;
02. Certify results of the election of Councilpersons;



03. Keep at the principal office of the organization or at such other place as the Council may determine, a book of minutes of all meetings of the Councilpersons, and, if applicable, meetings of Committees of Councilpersons 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;
04. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
05. Be custodian of the records and of the seal of the organization, which seal may be affixed at the discretion of the Secretary, but affixation of the seal is not required in order for any document duly executed on behalf of the organization to be binding as authorized by law or these Bylaws;
06. Exhibit at all reasonable times to any Councilperson of the organization, or to his or her agent or attorney, on request therefor, the Bylaws, and the minutes of the proceedings of the Councilpersons of the organization;
07. 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 organization, or by these Bylaws, or which may be assigned to him or her from time to time by the Council; and
08. Prepare the ballots for the elections to the Council, establish the record date for Voting Member's eligibility to vote, and transmit the ballots to the Voting Members in accord with election procedures established from time to time by the Councilpersons, including on-line voting that complies with applicable law and these Bylaws, and at the annual membership meeting, and supervise the determination of whether each ballot cast was cast by a Voting Member eligible to vote as of the record date.

## **SECTION 8. DUTIES OF TREASURER**

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

01. Receive the cooperation of and regular reports from any ED, Chief Financial Officer, Controller, and CPAs of the organization and provide oversight to ensure that the finances are being handled in accord with Calle 24's standards and best nonprofit practices;
02. Exhibit at all reasonable times the books of account and financial records to any Councilperson of the organization, or to his or her agent or attorney, on request therefor;
03. Render to the President and Councilpersons, whenever requested, an account of any or all of the organization's transactions and of the financial condition of the organization;
04. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. If the Treasurer delegates the responsibility for preparing the financial statements to a CFO, Controller, CPA, bookkeeper, or other delegate, the Treasurer shall meet with that person regularly to understand and supervise the work. The Treasurer will

endure that monthly financial statements are prepared and presented to the Council at each regularly scheduled Council meeting;

05. Consolidate committee and staff budget projections into the projected annual budget and present that to the Council to review before and at the annual budget meeting;
06. Assume ultimate responsibility for the preparing of any and all papers pursuant to the tax exemption status of this organization, including the filing of the annual tax returns;
07. Be responsible for the preparation of the annual report; and
08. 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 organization, or by these Bylaws, or which may be assigned to him or her from time to time by the Council.

## **ARTICLE 9: FINANCIAL MANAGEMENT & CORPORATE RECORDS**

### **SECTION 1. EXECUTION OF INSTRUMENTS**

The Council, except as otherwise provided in these Bylaws, may by resolution authorize any officer, executive, or agent of the organization to enter into any contract or execute and deliver any instrument in the name of and on behalf of the organization, and such authority may be general or confined to specific instances. Unless so authorized by formal resolution of the Council, no officer, executive, agent, or employee shall have any power or authority to bind the organization by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

### **SECTION 2. CHECKS AND NOTES**

All expenditures must be within the Calle 24 budget approved by the Council, as such budget is amended from time-to-time by the Councilpersons, unless the Finance Committee expressly approves an expenditure above the amount budgeted within the authority granted to it by the Council. Except as otherwise specifically determined by resolution of the Council, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the organization shall be signed by the President, or in the President's unavailability, the Vice-President. Any checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the organization in an amount over two thousand dollars (\$2,000.00) must be countersigned by the Treasurer of the organization. The Council may resolve to change the amounts and who and how many signatures are required on checks set out in this section from time to time as a matter of policy and shall memorialize such a change not only in the meeting minutes but also in Calle 24's formal policies and procedures. Such a change in amount shall not be deemed to be an amendment of these Bylaws.

### **SECTION 3. DEPOSITS**

All funds of the organization shall be deposited from time to time to the credit of the organization in such banks, trust companies, or other depositories as the Council may select.

#### **SECTION 4. GIFTS**

Subject to the Conflict of Interest Policy's provisions concerning gifts, the Council may accept on behalf of the organization any contribution, gift, bequest, or devise for the charitable or public purposes of this organization, and may delegate authority to assess the advisability of accepting any particular gift or types or sizes of gifts to an officer or executive staff person, if any.

#### **SECTION 5. MAINTENANCE OF ORGANIZATIONAL RECORDS**

The organization shall keep at its principal office in the State of California:

01. Minutes of all meetings of Councilpersons, Committees of the Council (executive and advisory) and of all meetings of Voting Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings and decisions thereof;
02. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses; and
03. A copy of the organization's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the organization at all reasonable times during office hours.

#### **SECTION 6. ORGANIZATIONAL SEAL**

The Council may, but is not obligated to, adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the organization. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

#### **SECTION 7. COUNCILPERSONS' INSPECTION RIGHTS**

Every Councilperson 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 organization.

#### **SECTION 8. MEMBERS' INSPECTION RIGHTS**

Each and every Voting Member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member, which purpose must be stated in any Voting Member's written request for inspection:

01. To inspect and copy the record of all Voting Members' names, addresses and voting rights, at reasonable times, within five (5) business days' prior written demand on the organization, which demand shall state the purpose for which the inspection rights are requested and how that is reasonably related to such person's interest as a member;
02. To obtain from the Secretary of the organization, upon written demand and payment of a reasonable charge, not to exceed five cents per page, an alphabetized list of the names, addresses

and voting rights of those members entitled to vote for the election of Councilpersons 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

03. To inspect at any reasonable time the written minutes of meetings of the members or meetings of the Council or committees of the Council (executive and advisory), upon written demand on the organization by the member, five (5) business days' prior written demand. Such written demand shall state the purpose for which the inspection rights are requested and how that is reasonably related to such person's interest as a member.

## **SECTION 9. 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 while on site, but not to take away any such records. The organization may impose reasonable charges for on-site copying not to exceed five cents per page. The person inspecting the records shall be reasonably respectful and cooperative with the Organization's staff in the course of the inspection, and in turn, the organization's staff shall be reasonably respectful and cooperative with the person making the inspection.

## **SECTION 10. ANNUAL REPORT**

The Council shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the organization's fiscal year to all Councilpersons of the organization which report shall contain the following information in appropriate detail:

01. The assets and liabilities, including the trust funds, of the organization as of the end of the fiscal year;
02. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
03. The revenue or receipts of the organization, both unrestricted and restricted to particular purposes, for the fiscal year;
04. The expenses or disbursements of the organization, for both general and restricted purposes, during the fiscal year;
05. Any information required by Section 11 of this Article; and
06. 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 organization that such statements were prepared without audit from the books and records of the organization.
07. The annual report may be provided to the Councilpersons by posting it on the organization's website.

08. If this organization has members, then, if this organization receives TWENTY-FIVE THOUSAND DOLLARS (\$25,000), or more, in gross revenues or receipts during the fiscal year, this organization 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 or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.

## **SECTION 11. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS**

This organization shall mail or deliver to all Councilpersons and to 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:

01. Any transaction in which the organization, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:
  - a. Any Councilperson or officer of the organization, or its parent or subsidiary (a mere common Councilpersonship shall not be considered a material financial interest); or
  - b. Any holder of more than ten percent (10%) of the voting power of the organization, its parent or its subsidiary.
02. The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than fifty thousand dollars (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than fifty thousand dollars (\$50,000).
03. Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the previous fiscal year to any Councilperson 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 Organization Law.
04. 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 organization, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

## **ARTICLE 10: AMENDMENT OF ARTICLES AND BYLAWS**

### **SECTION 1. AMENDMENT OF BYLAWS**

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit organizations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted as follows:

01. By approval of the Voting Members of this organization, pursuant to Section 5150 of the Corporations Code;
02. Subject to the power of Voting Members set out above, the Council may alter, amend, repeal or restate these Bylaws by a Majority of the Council, (a majority of all the Councilpersons then in office) unless the Bylaw amendment would materially and adversely affect the rights of Voting Members as to voting or transfer, provided, however, if this organization has admitted any members, then a Bylaw specifying or changing the fixed number of Councilpersons of the organization, the maximum or minimum number of Councilpersons, or changing from a fixed to variable Council or vice versa, may not be adopted, amended, repealed, or restated except by approval of the Voting Members as set out in Section 1(a) of this Article.

## **SECTION 2. BYLAWS AMENDMENTS THAT TERMINATE MEMBERSHIPS**

Notwithstanding any other provision of these Bylaws, if any amendment of the Articles of Incorporation or of the Bylaws of this organization would result in the termination of all memberships or any class of memberships, then such amendment or amendments shall be effected only in accordance with the provisions of Section 5342 of the California Nonprofit Public Benefit Corporation Law.

## **SECTION 3. AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS**

Before any Voting Members have been admitted to the organization, any amendment of the Articles of Incorporation may be adopted by approval of the Council.

## **SECTION 4. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS**

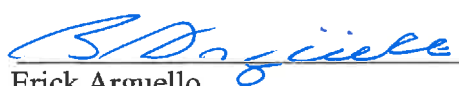
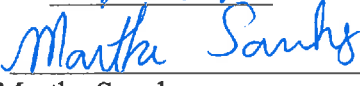
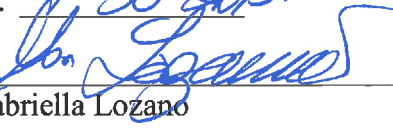
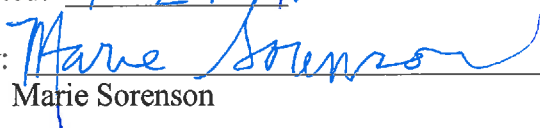
After Voting Members have been admitted to the organization, amendment of the Articles of Incorporation may be adopted by the approval of the Council and by the approval of the members of this organization.

## **SECTION 5. CERTAIN AMENDMENTS**

Notwithstanding the above sections of this Article, this organization shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first Councilpersons of this organization, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the organization has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

**WRITTEN CONSENT OF COUNCILPERSONS ADOPTING BYLAWS**

We, the undersigned, are all of the persons named as the initial Councilpersons in the Articles of Incorporation of Calle 24 Latino Cultural District, a California nonprofit public benefit organization, and, pursuant to the authority granted to the Councilpersons by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of 43 pages, as the Bylaws of this organization.

Dated: <u>9/25/15</u> By: <u></u> Erick Arguello	Dated: <u>9-29-15</u> By: <u></u> Anna-Lisa Escobedo
Dated: <u>9/29/2015</u> By: <u></u> Rose Arrieta	Dated: <u>9-29-15</u> By: <u></u> Martha Sanchez
Dated: <u>9-30-2015</u> By: <u></u> Gabriella Lozano	Dated: <u>9/29/15</u> By: <u></u> Georgiana Hernandez
Dated: <u>9-14</u> By: <u></u> John R. Mendoza	Dated: <u>9-29-15</u> By: <u></u> Marie Sorenson
Dated: <u>9/29/15</u> By: <u></u> Brooke Oliver	Dated: <u>9/29/15</u> By: <u></u> Eva Royale
Dated: <u>9/29/15</u> By: <u></u> Wendy Bardsley	Dated: <u>9/30/15</u> By: <u></u> Miles Pickering

