



### Joint Meeting

**San Ysidro Business Improvement District Advisory Committee - Small Business Advisory Board  
San Ysidro Community and Economic Development Corporation Board of Directors**

### WORKING MEETING AGENDA

**Wednesday, July 23, 2025 9:00AM to 10:30AM**

**Location: 663 E San Ysidro Blvd, San Ysidro, CA 92173**

**Advisory Committee Members to Date:** Carol Kang, Jilette Yousif, Jose Alfredo Ripa, Jose Sahagun, Marni Levy Wilton, Miguel Aguirre, Norman Jester, Silvana Alaniz, Sunny Lee, and Vicky Sharma.

**San Ysidro Community and Economic Development Corporation Board of Directors:** Carol Kang, Jilette Yousif, Jose Alfredo Ripa, Jose Sahagun, Marni Levy Wilton, Miguel Aguirre, Norman Jester, Silvana Alaniz, and Vicky Sharma.

#### **Call to Order and Introductions**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

#### **Non-Agenda Public Comment**

Public comment may be made on any non-agenda topic in the committee's area of responsibility. The Chair will call on those who wish to give public comment. (*Public comments are limited to 2 minutes per speaker.*)

#### **1. June Meeting Minutes**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

#### **2. Nonprofit Formation Discussion**

*Continued discussion regarding nonprofit formation documentation.*

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

#### **3. Adjournment**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

\*Unfinished business shall be tabled and placed on the agenda for the next committee meeting.

**THIS INFORMATION IS AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST.** To request an alternative format or to request a sign language or oral interpreter for the meeting, please contact Economic Development Department at least five (5) working days before the meeting at (619) 236-6700 to ensure availability.



**SAN YSIDRO BUSINESS IMPROVEMENT DISTRICT ADVISORY COMMITTEE  
TO THE CITY OF SAN DIEGO'S SMALL BUSINESS ADVISORY BOARD**

**WORKING MEETING MINUTES**

**Wednesday, June 25, 2025 9:00AM to 10:30AM**  
**Location: 663 E San Ysidro Blvd, San Ysidro, CA 92173**

**Advisory Committee Members to Date:** Carol Kang, Donna Deberry, Jilette Yousif, Jose Alfredo Ripa, Jose Sahagun, Marni Levy Wilton, Miguel Aguirre, Norman Jester, Silvana Alaniz, Sunny Lee, and Vicky Sharma.

**Call to Order and Introductions**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

- Meeting was called to order at 9:07 AM.

**Attendance**

**Advisory Committee Members:** Jose Alfredo Ripa, Jose Sahagun, Miguel Aguirre, Norman Jester, and Silvana Alaniz, and Vicky Sharma.

**City Staff:**

Giancarlo Lopez-Duran, Council Representative, Office of Councilmember Vivian Moreno  
Alex Southard, Small Business Engagement Specialist, Economic Development Department  
Viridiana Quintana, Small Business Support Specialist, Economic Development Department

**Members of the Public:**

Alicia Jimenez  
Brian Maty  
Carlos Javier Mejia  
Charles Simon

Fred A Sobke Jr.  
Gustavo Bidart  
Javier Ackerman  
Kenia Peraza

Kevin Davis  
Marcia Perez  
Roxane Palestino  
Stefano Monzon

**Non-Agenda Public Comment**

Public comment may be made on any non-agenda topic in the committee's area of responsibility. The Chair will call on those who wish to give public comment. *(Public comments are limited to 2 minutes per speaker.)*

- None.

**1. May Meeting Minutes**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

- With a motion from Jose Alfredo Ripa and a second from Norman Jester, the group voted to approve the May 28, 2025 meeting minutes.
  - Yes: Jose Alfredo Ripa, Jose Sahagun, Miguel Aguirre, Norman Jester, and Silvana Alaniz.
  - Abstain: None.
  - Absent: Carol Kang, Donna Deberry, Jilette Yousif, Marni Levy Wilton, Sunny Lee, and Vicky Sharma.

**2. Nonprofit Formation Discussion**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

- Gustavo Bidart led the continued discussion regarding nonprofit formation documentation.
- Kevin Davis announced that the Articles of Incorporation have been filed with the Secretary of State.
- The group will begin convening as a joint-meeting between the San Ysidro BID Advisory Committee and the San Ysidro Community and Economic Development Corporation.

- The group continued the review of the draft bylaws. Feedback was shared regarding quorum requirements, board member removal process, board member engagement requirements, general membership, and associate membership.
- The group aims to have the nonprofit status by FY2027 and discussed upcoming infrastructure needs such as insurance, website, social media, and more.
- The group will approve the bylaws at the next meeting, the Updates Meeting on July 9<sup>th</sup>.

3. **Adjournment**

Gustavo Bidart, Economic and Community Development Manager, Civic Community Partners

- Meeting was adjourned at 10:29 AM.

\*Unfinished business shall be tabled and placed on the agenda for the next meeting.

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**BOARD OF DIRECTORS ORGANIZATIONAL RESOLUTIONS**  
**OF**  
**SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION**  
(A California Nonprofit Public Benefit Corporation)

The Board of Directors ("Board") of San Ysidro Community and Economic Development Corporation, a California nonprofit public benefit corporation ("Corporation"), adopts the following resolutions:

Ratification of Actions of Incorporator

RESOLVED, all actions of the incorporator, Kevin M. Davis of Procopio, Cory, Hargreaves & Savitch LLP, in incorporating the Corporation and as were appropriate to establish the Corporation, whether before or after incorporation, are ratified and approved in all respects.

Certification and Filing of Articles of Incorporation

RESOLVED, the Secretary of the Corporation is authorized and instructed to insert in the Corporations' minute book or keep with the Corporations' records a copy of the Articles of Incorporation as filed in the Office of the California Secretary of State on June 11, 2025 and certified by the Secretary of State.

Adoption of Bylaws

RESOLVED, the Bylaws of San Ysidro Community and Economic Development Corporation, attached to these resolutions as Exhibit A and adopted by the Board on July 9, 2025, were and are adopted and ratified as the Corporation's Bylaws.

RESOLVED FURTHER, the Secretary of the Corporation is authorized and directed to execute a certificate of adoption for the Bylaws, insert the certified Bylaws in the Corporation's minute book or keep the certified Bylaws with the Corporations' records, and see that a copy of the certified Bylaws is kept at the Corporation's principal office.

Establishment of Number of Directors

RESOLVED, the number of positions on the Board will initially be nine (9), unless and until changed by an action or resolution of the Board, an amendment of the Bylaws, or the next election of the Board.

Election of Officers and Authority

RESOLVED, the individuals listed below are elected to the following offices (a director may hold more than one office so long as the Board President does not also serve concurrently as either the Secretary and/or the Treasurer):

<u>NAME:</u>	<u>TITLE:</u>
[name]	Board President
[name]	Vice President
[name]	Secretary
[name]	Treasurer

#### Appointment of Agent for Service of Process

RESOLVED, Gustavo Bidart shall continue to serve as the agent of this Corporation for the purpose of accepting service of process on the Corporation, and shall serve as such agent until resignation or a new agent for service of process is designated by the Board.

#### Adoption of Conflict of Interest Policy

WHEREAS, the Board has determined that it is in the best interest of this Corporation to adopt a Conflict of Interest Policy as preferred by the Internal Revenue Service for purposes of obtaining a tax exemption under Internal Revenue Code Section 501(c)(3), and in order to protect its interests when it contemplates entering into a transaction that has the potential to benefit the private interest of any officer, director or employee of the Corporation.

RESOLVED, the Conflict of Interest Policy of San Ysidro Community and Economic Development Corporation, attached to these resolutions as Exhibit B, is approved and adopted as the Corporation's Conflict of Interest Policy.

RESOLVED FURTHER, the Secretary of the Corporation is authorized and directed to execute a certificate of adoption for the Conflict of Interest Policy, and insert the certified policy in the Corporation's minute book or keep with the Corporations' records.

#### Authorize Opening Bank Accounts

RESOLVED, the Corporation's Board President and/or Treasurer are authorized and directed to open one or more accounts on behalf of the Corporation at one or more federally insured banks or financial institutions as they deem necessary or desirable as set forth in the separate resolution attached to these resolutions as Exhibit C.

RESOLVED FURTHER, the Secretary of the Corporation is authorized and directed to execute a certificate of adoption for the resolution, and insert the certified resolution in the Corporation's minute book.

RESOLVED FURTHER, the Corporation's officers are also authorized to execute and deliver any other standard form resolutions that may be required by such bank(s) or financial institution(s) for opening corporate bank accounts.

RESOLVED FURTHER, the Secretary of this Corporation is directed to insert a copy of any standard form resolution requested by the bank(s) or financial institution(s) for opening corporate bank account and related certificate of adoption in the Corporation's minute book.

#### Establish Accounting Year

RESOLVED, the Corporation's accounting year shall end on June 30 of each year.

#### Authorize Application for Tax Exemption

RESOLVED, the Corporation's officers, or a designee, are authorized and directed to make or cause to be made applications for federal and California tax-exempt status for the Corporation, including the filing of such forms and documents as the officers deem necessary or appropriate to obtain such tax

exemptions for the Corporation.

Authorize Application for Federal Employer Identification Number

RESOLVED, the Corporation's officers, or a designee, are authorized and directed to make such filings and applications as are necessary to secure for the Corporation a federal employer identification number.

RESOLVED FURTHER, all actions of the third-party designee, Kevin M. Davis of Procopio, Cory, Hargreaves & Savitch LLP, to secure the Corporation's employer identification number are ratified and approved in all respects. The Corporation's officers are directed and authorized to execute any forms or documents required by the Internal Revenue Service to memorialize the third-party designee.

Filing of Statement of Information with the California Secretary of State

RESOLVED, the Corporation's officers are authorized and directed to make, or cause to be made, and filed with the California Secretary of State, a Statement of Information on behalf of the Corporation.

Filing of Initial Registration with the California Registry of Charitable Trusts

RESOLVED, the Corporation's officers are authorized and instructed to make, or cause to be made, an initial registration with the California Registry of Charitable Trusts on behalf of the Corporation, and to file such registration with the California Attorney General.

General Authorization

RESOLVED, the Corporation's officers are authorized and directed to execute and deliver all such documents and to take all such actions on behalf of the Corporation as they deem necessary or appropriate to carry out and accomplish the purposes of these resolutions, and any actions taken by them prior to the date of these resolutions to accomplish the purposes of these resolutions are ratified and confirmed.

RESOLVED FURTHER, any actions taken by the Corporation's officers, or their designee, prior to the date of these resolutions to accomplish the purposes of these resolutions or to commence the Corporation's operations are ratified and confirmed.

RESOLVED FURTHER, the Secretary of this Corporation is directed to file these resolutions with the minutes of the proceedings of the Board of Directors.

# # #

### **CERTIFICATE OF ADOPTION**

I certify that I am the Secretary of San Ysidro Community and Economic Development Corporation, a California nonprofit public benefit corporation, and that the foregoing resolutions of such Corporation were duly adopted by the corporation's Board of Directors on August 6, 2025.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the corporation to this certificate on August 6, 2025.

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Secretary, San Ysidro Community and Economic  
Development Corporation

**EXHIBIT A**

**BYLAWS  
OF  
SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION**



**BYLAWS  
OF  
SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION**  
(A California Nonprofit Public Benefit Corporation)

**ARTICLE I. NAME**

Section 1.01 Corporate Name. The name of this corporation is San Ysidro Community and Economic Development Corporation (hereinafter the “corporation”).

**ARTICLE II. OFFICES**

Section 2.01 Principal Office. The corporation’s principal office is located at 8989 Rio San Diego Drive, Suite 100, San Diego, CA 92108-1647. The Board of Directors (“Board”) may change the principal office from one location to another within the County of San Diego.

Section 2.02 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

**ARTICLE III. PURPOSES; MISSION STATEMENT**

Section 3.01 Description in Articles. The corporation’s general and specific purposes are described in its Articles of Incorporation, which are based on the corporation’s mission statement provided in Section 3.02 below.

Section 3.02 Mission Statement. The corporation’s mission is to build a more resilient and prosperous community by creating access to new economic opportunities, supporting local businesses, and fostering partnerships that promote sustainable development for the binational community of San Ysidro, its residents and visitors.

**ARTICLE IV. NONPROFIT AND CHARITABLE STATUS; DEDICATION OF ASSETS**

Section 4.01 Nonprofit Corporation. This corporation is formed pursuant to the California Nonprofit Public Benefit Corporation Law for public and charitable purposes as described in its Articles of Incorporation and Article III of these Bylaws.

Section 4.02 Nonpartisan; Nondiscrimination. The programs and activities of the corporation shall be nonpartisan, nonsectarian, and nondiscriminatory against any person by reason of race, color, national origin, religion, age, sex, sexual orientation, marital status, genetic characteristics, physical or mental disability, or immigration status.

Section 4.04 Dedication of Assets. This corporation’s assets are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the corporation. Upon dissolution of the corporation, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed as set forth in its Articles of Incorporation.

## **ARTICLE V. MEMBERS**

Section 5.01 Identification of Members. The Members of the corporation shall be the business owners holding a valid and fully paid City of San Diego Business Tax Certificate for the San Ysidro Business Improvement District. Newly opened businesses shall immediately qualify as Members upon securing a valid Business Tax Certificate from the City of San Diego that lists a place of business within the San Ysidro Business Improvement District. The current Members are identified in **Attachment 1**, which may be amended from time to time to reflect updates in the corporation's Members. Each Member's eligibility to vote at a meeting of the Members shall be determined by the current list of Business Tax Certificate holders for the San Ysidro Business Improvement District that was most recently published by the City of San Diego prior to the date of the meeting.

Section 5.02 Rights of Members. The Members shall have the rights provided by Section 5056 of the California Nonprofit Public Benefit Corporation Law and as set forth in these Bylaws including without limitation the right to vote on the election of the Board and to be elected to serve on the Board. Membership in this corporation is not transferable. The corporation may use the term "Member" to refer to other persons or entities associated with it, but such persons or entities shall not be Members within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law or these Bylaws unless or until they meet the qualification set forth in this Section 5.01.

Section 5.03 Member's Representative. Each Member shall appoint one (1) individual to serve as the representative of the Member, who shall have the authority to act on behalf of the Member with respect to the corporation's activities, including without limitation the authority to vote in the annual election of the Board. The representative must be an officer, director or employee of the City of San Diego Business Tax Certificate holder. In absence of an appointed individual to serve as the representative of the Member, the name appearing as the business owner on the current valid San Ysidro Business Tax Certificate shall be deemed as the representative.

Section 5.04 Associates. The corporation may have Associate Members, who may consist of nonprofits, professionals, stakeholders and other non-Business Tax Certificate holders engaged in the San Ysidro community. Associate Members shall be admitted under the rules, which may include the payment of Associate Member dues or fees, and with the rights, which may include the right to vote at meetings of the Members and/or to serve on the Board, as determined by the Board.

Section 5.05 Meetings of the Members. The Members shall meet at least annually for the purpose of electing the Board, and any other actions that require approval of the Members. The annual meeting of the Members is expected to occur in September each year. Meetings of the Members may be called by the Board, the Board President, or by a majority of the Members.

Section 5.06 Notice of Meetings of the Members. Notice of meetings shall be given to all current Members, as of the date of the notice, and any Associate Members as authorized by the Board. The notice shall be provided by first class mail addressed to the business appearing on the current valid San Ysidro Business Tax Certificate, and to any Associate Member's business address, not less than ten (10) nor more than sixty (60) days before the date of the meeting, or any additional or specific time for notices as may be required by the corporation's Business Improvement District Agreement with the City of San Diego. The notice shall state the place, date and time of the meeting, and shall describe the general nature of the business to be transacted at the meeting, including those matters which the Board intends to present for action by the Members.

Section 5.07 Quorum and Voting. Quorum for meetings of the Members shall initially be one-third of the current Members, but may be adjusted by action of the Board to account for fluctuations in the number of Members. All current Members, as of the date of the meeting, shall be entitled to vote at the meeting. Each Member shall have one (1) vote on each matter submitted for a vote of the Members, and the vote shall be conducted via the Member's designated representative. A Member cannot vote by proxy given to another Member or absentee voting, and there shall be no cumulative or weighted voting. If a quorum is present, the affirmative vote of the majority of the Members present at the meeting shall constitute an act of the Members. The Members may not take action on any item that was not noticed in accordance with Section 5.06 above.

Section 5.08 Termination of Membership. A Member may resign at any time upon termination of its San Ysidro Business Tax Certificate, which shall be automatic and effective immediately, or upon submittal of written notice to the Board, which shall be effective immediately unless the notice specifies a later effective date of such resignation.

## **ARTICLE VI. ELECTION OF DIRECTORS**

Section 6.01 Election Procedures. The initial Board shall be comprised of the nine (9) Directors appointed by the Incorporator. With the exception of the initial Board, Directors shall be elected by the vote of a majority of the Members at the annual meeting of the Members (expected to occur in September each year). At all times that the corporation has a Business Improvement District Agreement with the City of San Diego, the election of the Directors shall follow the nomination and election procedures set forth in Sections 6.03 through 6.07 below and such other procedures as required by the Business Improvement District Agreement, including without limitation providing at least sixty (60) days' notice to San Ysidro Business Tax Certificate holders, public notification via publication, and conducting a mailed ballot election, if required, and/or an electronic election, if permissible.

Section 6.02 Eligibility. To be eligible to serve on the Board, a nominee must be a Member or a representative of Member of the corporation as described in Sections 5.01 and 5.03 above. If the Board authorizes Associate Members to serve on the Board, then a nominee may also be an Associate Member as described in Section 5.04 above. Qualifications to serve on the Board are generally the ability to attend Board meetings and serve on one or more committees, a willingness to actively support and promote the corporation, and a dedication to its mission and charitable endeavors.

Section 6.03 Nominating Procedures. Candidates for election to the Board may be nominated in the following ways:

(a) **Nominating Committee**. At its June meeting, the Board shall establish a Nominating Committee that is comprised of at least three (3) Directors and shall be tasked with seeking candidates to serve on the Board.

(b) **Self-Nomination by Mail**. Following the Board's June meeting and in accordance with the nomination and election timeline established by the Board, the Secretary shall mail to all current Members the election notice described in Section 6.04 below, that includes a nomination form. All nomination forms returned by mail or otherwise submitted to the corporation shall be accepted, subject solely to verification that the nominee is a current Member or a Member's representative.

(c) **Nominations from the Floor** (if election is conducted at the annual meeting of the Members). Members shall have the opportunity to nominate themselves from the floor at the annual

meeting of the Members, if applicable. Nominees from the floor shall be subject to verification that they are a current Member or a Member's representative.

Section 6.04 Election Method and Schedule. The Board shall determine at its June meeting each year how the coming election will be conducted – either at the annual meeting of the Members (expected to occur in September each year) or by mail ballot or, if permissible, by electronic ballot. Whichever method is chosen by the Board, all voting shall be by written secret ballot of the Members. Each eligible Member, as described in Section 5.01 above, shall have one (1) vote, as described in Section 5.07 above. At its June meeting, the Board shall also approve the nomination and election timeline to achieve the requirements of the Business Improvement District Agreement with the City of San Diego. Following the meeting, the Secretary shall mail to all current Members an election notice that includes the requirements for nomination, the nomination procedures and a nomination form, and the nomination and election process and timeline.

Section 6.05 Inspector of Elections. The Board shall appoint an inspector of elections. The inspector may be an uninterested party or may be a committee comprised of at least three (3) Directors, none of whom are candidates for election.

Section 6.06 Invalid Ballots. Ballots shall be deemed invalid if they contain (a) more votes than vacancies on the Board that are open for election, (b) more than one vote per candidate, or (c) in the case of a mail-in ballot, are returned to the corporation without sufficient information to verify that the ballot was received from a current Member, such as not including the business name, business address, or Business Tax Certificate number.

Section 6.07 Election Results. Whether by secret ballot at the annual meeting of the Members or by secret mail ballots, the ballots shall be opened and counted publicly at the annual meeting of the Members by the inspector of elections. In the event of a tie, where the number of candidates receiving the same number of votes exceeds the number of available seats, the inspector of elections shall conduct a lottery among the tied candidates to determine the winner.

## **ARTICLE VII. BOARD OF DIRECTORS**

Section 7.01 General Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and any limitations of the Articles of Incorporation or these Bylaws, the corporation's activities and affairs shall be conducted, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the corporation's activities to any person(s), management company, or committees, however composed, provided that the corporation's activities and affairs shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 7.02 Specific Powers. Without prejudice to such general powers, but subject to the same limitations, the Board shall have the following powers:

(a) To approve personnel policies and monitor their implementation; to select and remove certain officers, agents, and employees of the corporation, and to prescribe such powers and duties for them as are compatible with law, the Articles of Incorporation, or these Bylaws; and to fix their compensation (as provided herein, Directors on the Board shall serve without compensation);

(b) To conduct, manage, and control the affairs and activities of the corporation and

to make such rules and regulations therefor which are not inconsistent with law, the corporation's Articles of Incorporation, or these Bylaws;

(c) To change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; and conduct its activities in or outside California;

(d) To borrow money and incur indebtedness for the corporation's purposes, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and security therefore;

(e) To carry on a business and apply any revenues in excess of expenses that result from the business activity to any activity that it may lawfully engage in;

(f) To acquire by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey, or otherwise dispose of real and personal property;

(g) To act as trustee under any trust incidental to the principal object of the corporation, and to receive, hold, administer, exchange, and expend funds and property subject to such trust; and

(h) To enter into any contracts or other instruments, and do any and all other things incidental to or expedient for attainment of the corporation's purposes.

Section 7.03 Number of Directors. The Board shall consist of a minimum of nine (9) and no more than fifteen (15) Directors, with the actual number to be determined from time to time by a resolution of the Board.

(a) A minimum of nine (9) Directors must be a representative from a holder of a valid, current and fully paid City of San Diego Business Tax Certificate for the San Ysidro Business Improvement District. Each Business Tax Certificate entity may only have one (1) representative serving on the Board at a time. However, the representative serving on the Board on behalf of a Business Tax Certificate entity does not have to be the same individual serving as that entity's Membership representative.

(b) The Board shall endeavor to have broad and proportionate representation on the Board of Directors representing Business Tax Certificate entities from Zone 1 and Zone 2 of the San Ysidro Business Improvement District, and representing businesses falling within Category A through Category E, under the City of San Diego's Ordinance establishing the San Ysidro Business Improvement District.

(c) The other seats on the Board are open for Associate Members, if any.

(d) All Directors shall have full voting rights.

Section 7.04 Term of Office. Each Director shall hold office for a two (2) year term, and until a successor has been elected by the Board. The terms shall be staggered so that approximately one-half of the Director seats are open for election/re-election at each annual meeting of the Members. A Director may serve for four (4) consecutive terms, and then must wait at least one (1) year before seeking

reelection to the Board.

Section 7.05 Vacancies. A vacancy on the Board shall be deemed to exist if a Director dies, resigns, is removed, or if the authorized number of Directors is increased. The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by a final order or judgment of any court to have breached any duty arising under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law. Vacancies on the Board shall be filled by a two-thirds (2/3) majority vote of the Board. Each Director so elected shall hold office until the next election of the Board by the Members as described in Article VI above, or until the Director's death, resignation or removal from office.

Section 7.06 Removal. A Director may be removed, with or without cause, by a majority vote of the Board at a special meeting called for that purpose in accordance with Section 7.12, or at a regular meeting in accordance with Section 7.11. Cause for removal shall include a Director failing to attend three (3) consecutive meetings of the Board or twenty-five percent (25%) of the meetings of the Board within a calendar year, failure to serve on and attend the meetings of at least one (1) committee, or a Director's failure to timely comply with the Board training requirements set forth in the Business Improvement District Agreement with the City of San Diego, if any. Any vacancy caused by the removal of a Director must be approved by the Members of the corporation in accordance Section 5222(a) of the California Nonprofit Public Benefit Corporation Law, and shall be filled as provided in Section 7.05 above.

Section 7.07 Resignation. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any Director may resign effective upon giving written notice to the Board President, the Secretary, or the Board as a whole, unless the notice specifies a future time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before then to take office when the resignation becomes effective. Any vacancy caused by such resignation shall be filled as provided in Section 7.06. No Director may resign when the corporation would then be left without at least one (1) Director in charge of its affairs.

Section 7.08 Compliance with Brown Act. At all times that the corporation has a valid Business Improvement District Agreement with the City of San Diego, meetings of the Board with respect to such agreement, or related to the activities, assessments or grant funds under such agreement, shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Government Code Sections 54950, et seq.) ("Brown Act").

Section 7.09 Place of Meetings of the Board. Meetings of the Board may be held within the San Ysidro community at a place that has been designated in the notice of the meeting, or if there is no notice, at such place as has been designated from time to time by resolution of the Board.

Section 7.10 Annual Meetings of the Board. The Board shall meet annually for the purpose of organization, the approval of the current Members, the election of officers, approving the regular meeting schedule, and the transaction of such other business as may properly be brought before the meeting.

Section 7.11 Regular Meetings of the Board. The Board shall hold regular meetings, which along with the annual meetings, shall be at such times and places as may from time to time be fixed by the Board. At all times that the corporation has a valid Business Improvement District Agreement with the City of San Diego, regular meetings of the Board related to such agreement, or related to the activities, assessments or grant funds under such agreement, shall be called, held and conducted in accordance with the Brown Act, including that agendas for such meetings will be posted seventy-two (72) hours prior to

the meeting in a location that is freely accessible to members of the public and on the corporation's website, and the meeting shall be held in locations and in a manner consistent with the Brown Act. The notice shall contain a brief general description of each item of business to be transacted or discussed at the meeting.

Section 7.12 Special Meetings. Special meetings of the Board for any purpose may be called at any time by the Board President, the Secretary, or any two Directors. Notice of the time and place of special meetings shall be delivered to each Director personally or by telephone or email, shall be provided at least twenty-four (24) hours prior to the meeting, and shall contain a brief general description of each item of business to be transacted or discussed at the meeting. At all times that the corporation has a valid Business Improvement District Agreement with the City of San Diego, notice of special meetings related to such agreement, or related to the activities, assessments or grant funds under such agreement, shall also be posted twenty-four (24) hours prior to the meeting in a location that is freely accessible to members of the public and on the corporation's website, and the meeting shall be held in locations and in a manner consistent with the Brown Act.

Section 7.13 Quorum. A majority of the actual number of Directors then in office shall constitute a quorum. Every action taken or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present is an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law in instances, including without limitation, regarding (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directors, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, but no action can be taken unless and until a quorum is restored. Directors may not vote by proxy.

Section 7.14 Participation by Teleconference; Electronic Meetings. Directors may participate in a meeting of the Board through the use of teleconference telephone, electronic video communication, or similar communications equipment, so long as each Director participating in such meeting can communicate with all of the other Directors concurrently and is provided the means of participating in all matters before the Board.

At all times that the corporation has a valid Business Improvement District Agreement with the City of San Diego, a meeting that is related to such agreement, or related to the activities, assessments or grant funds under such agreement, and in which a Director will participate by teleconference must be noticed and conducted in compliance with Section 54953(b) of the Brown Act, including without limitation the following:

- (a) At least a quorum of the Board shall participate in the teleconference meeting from locations within the corporation's jurisdiction (in compliance with the Brown Act);
- (b) All votes taken during a teleconference meeting shall be by roll call;
- (c) Agendas shall be posted at all teleconference locations, with each location identified in the notice and agenda of the meeting;
- (d) All locations where a Director participates via teleconference must be fully accessible to members of the public and shall be listed on the agenda;



(e) Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board directly at each teleconference location; and

(f) Members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.

As an alternative to the requirements of Section 54953(b) of the Brown Act described above, the corporation may also provide for a Director to participate by teleconference in a Board meeting related to the Business Improvement District Agreement pursuant to Section 54953(f), if applicable.

Section 7.15 Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to such Director prior thereto or at its commencement. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 7.16 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 7.17 Action Without Meeting. The Board may take action without a meeting with respect to activities that are not related to the Business Improvement District Agreement, so long as all Directors individually or collectively consent in writing to such action. Such written consent(s) shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board. For purposes of this section only, the phrase "all Directors" shall not include any "interested persons" as defined in Section 7.20 herein.

Section 7.18 Fees and Compensation. Directors shall serve without compensation for their service. The Board may approve the reimbursement of a Director's actual and necessary expenses incurred when conducting the corporation's business. Subject to Section 7.20 herein and the California Nonprofit Public Benefit Corporation Law, nothing herein shall preclude a Director from serving the corporation in any other capacity, including, but not limited to, as an officer, agent, or employee of the corporation, and receiving compensation for such service.

Section 7.19 Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons. An interested person is (a) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (b) 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. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 7.20 Standard of Care.

(a) A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the corporation's best interests and with such care, including reasonable inquiry, as an



ordinarily prudent person in a like situation would use under similar circumstances.

(b) In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more of the corporation's officers or employees whom the Director believes to be reliable and competent in the matters presented; (ii) legal counsel, independent accountants, or other persons as to matters that the Director believes to be within such person's professional or expert competence; or (iii) a committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 7.21 Non-Liability of Directors. No Director shall be personally liable for the corporation's debts, liabilities, or other obligations.

Section 7.22 Common Directorships. Pursuant to Section 5234 of the California Nonprofit Public Benefit Corporation Law, the corporation shall not be a party to a transaction with another corporation, firm or association in which one or more of its Directors is also a director (an "Overlapping Director") unless, (1) prior to entering into the transaction, the material facts of the transaction and the Overlapping Director's other director position are fully disclosed or known to the Board and the Board authorizes, approves or ratifies the contract or transaction in good faith by a sufficient vote without counting the vote of the Overlapping Director, or (2) the contract or transaction is just and reasonable to the corporation at the time it is authorized, approved or ratified. This provision does not apply to transactions covered by Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 7.23 Executive Compensation Review. In any year in which this corporation is legally required to do so pursuant to Section 5213 of the California Nonprofit Public Benefit Corporation Law, the Board (or a Board Committee) shall review any compensation packages (including all benefits) of the Chief Executive Officer and Chief Financial Officer, regardless of job title, and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this corporation.

## **ARTICLE VIII. OFFICERS**

Section 8.01 Required Officers. The California Nonprofit Public Benefit Corporation Law requires that the corporation shall have at a minimum: (a) a Chair of the Board, a President, or both; (b) a Secretary; and (c) a Treasurer, a Chief Financial Officer, or both. The individuals holding the positions of Chief Executive Officer, Secretary and Chief Financial Officer are reported to the Secretary of State through the Statement of Information. However, the corporation may refer to officer positions using different titles. The officers of this corporation shall be a Board President, a Secretary, and a Treasurer. The Board President serves as the Chair of the Board, and also as the Chief Executive Officer of the corporation unless the Board elects or hires a separate Chief Executive Officer. Similarly, the Treasurer serves as the Chief Financial Officer of the corporation unless the Board elects or hires a separate Chief Financial Officer. Any number of offices may be held by the same person, except that the Secretary, the Treasurer, or the Chief Financial Officer, may not serve concurrently as the Board President or Chief Executive Officer.

Section 8.02 Permitted Officers. The Board of Directors may elect one or more Vice Presidents, or Vice Chairpersons, and such other Board officers as the business of the corporation may require, each of whom shall be elected to hold office, have such authority and perform such duties as the Board at its pleasure from time to time may determine.

Section 8.03 Election. Except for initial officers appointed by Board resolution, and the Chief Executive Officer and Chief Financial Officer who may serve by contract, the officers of this corporation shall be elected annually by the Board, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under contract of employment.

Section 8.04 Removal. Any officer may be removed, with or without cause, by the Board at any time or, in the case of an officer appointed by another officer, the person with authority to appoint shall also have the power of removal. Any removal shall be without prejudice to the rights, if any, of an officer under any contract of employment.

Section 8.05 Resignation. Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect upon receipt of that notice or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 8.06 Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office, provided that such vacancies shall be filled as they occur.

Section 8.07 Chief Executive Officer. The Chief Executive Officer shall serve as the general manager and chief executive officer of the Corporation, and, subject to the control of the Board and the Chief Executive Officer's contract of employment (if applicable), shall generally supervise, direct, and control the activities, affairs, and employees of the corporation; and shall see that all resolutions of the Board are carried into effect, and shall perform any and all other duties assigned by the Board, these Bylaws or his or her employment contract (if applicable). If the Board elects or hires a Chief Executive Officer, then the individual holding such position shall be reported as the Chief Executive Officer on the corporation's Statement of Information filed with the Secretary of State. The corporation may also elect to use the title Executive Director when referring to the Chief Executive Officer title and position.

Section 8.08 Board President. The Board shall elect one Director to serve as Board President (who may be referred to as the Board Chair or Chairperson). The Board President shall preside as the Chairperson at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. The Board President shall serve as the Chief Executive Officer of the corporation unless the Board elects or hires a separate Chief Executive Officer. So long as the Board has not elected or hired a separate Chief Executive Officer, then the individual holding the Board President position shall be reported as the Chief Executive Officer on the corporation's Statement of Information filed with the Secretary of State.

Section 8.09 Vice President. The Vice President or Vice Presidents, if any, shall fill-in to serve and perform the duties of the Board President when the current Board President is absent or not available. When so acting, the Vice President(s) shall have all the powers of and be subject to all restrictions on the

Board President. The Vice President(s) shall also exercise and perform such other powers and duties as the Board may assign from time to time.

Section 8.10 Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board and its committees, shall supervise the giving of such notices as may be proper and necessary, shall supervise the keeping of the minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The individual holding this position shall be reported as the Secretary on the corporation's Statement of Information filed with the Secretary of State.

Section 8.11 Treasurer. The Treasurer shall be the chief financial officer of this corporation and shall supervise the charge and custody of all funds of this corporation, the deposit of such funds in the manner prescribed by the Board, and the keeping and maintaining of adequate and correct accounts of this corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The Treasurer may also be referred to as the Chief Financial Officer of the corporation unless the Board elects or hires a separate Chief Financial Officer. So long as the Board has not elected or hired a separate Chief Financial Officer, then the individual holding the Treasurer position shall be reported as the Chief Financial Officer on the corporation's Statement of Information filed with the Secretary of State.

Section 8.12 Compensation of Officers. The salaries of officers, if any, shall be fixed from time to time by resolution of the Board, or in the case subordinate officers appointed by the Chief Executive Officer, the Chief Executive Officer shall also have the authority to fix such officers' salaries, if any. In all cases, any salaries received by officers of the corporation shall be fair and reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable purposes of the corporation, and subject to Section 7.24 above, as applicable.

#### **ARTICLE IX. COMMITTEES**

Section 9.01 Board Committees. The Board may create one or more committees, each consisting of two (2) or more Directors to serve at the pleasure of the Board, and may delegate to such committee any of the authority of the Board, except with respect to:

- (a) Final action on any matter that, by law, requires approval of all of the Directors or a majority of all of the Directors;
- (b) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (c) The fixing of compensation, if any, of the Directors for serving on the Board or on any committee;
- (d) The amendment or repeal of the corporation's Bylaws or the adoption of new Bylaws;
- (e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) The appointment of other committees having the authority of the Board;

(g) The expenditure of corporate funds to support a nominee for Director; or

(h) The approval of any self-dealing transaction as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law, except as permitted under Section 5233.

Committees must be created, and the members thereof appointed, by resolution adopted by a majority of the number of Directors then in office. The Board may appoint, in the same manner, alternate members to a committee who may replace any absent member at a committee meeting.

Section 9.02 Meetings and Action of Board Committees. Meetings and actions of Board committees shall be governed generally by, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board, except that special meetings of committees may also be called by resolution of the Board. The Board may prescribe the manner in which proceedings of any such committee shall be conducted, so long as such rules are consistent with these Bylaws. In the absence of any such rules by the Board, each committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Minutes shall be kept of each meeting of each committee and shall be filed with the corporate records.

Section 9.03 Revocation of Delegated Authority to Board Committees. The Board may, at any time, revoke or modify any or all of the authority so delegated to a committee, increase or decrease, but not below two (2), the numbers of its members, and may fill vacancies therein from the members of the Board.

Section 9.04 Advisory Committees. The Board, or the Board President, may establish one or more Advisory Committees to the Board, and shall appoint the Chair of the committee. If a Director is on the Advisory Committee, he or she shall be the Chair of the committee. The members of any Advisory Committee may consist of directors or non-directors and may be appointed as the Board determines.

(a) Advisory Committees may be standing or special, permanent or temporary, but cannot exercise the authority of the Board to make decisions on behalf of this corporation. Advisory Committees shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

(b) Meetings of an Advisory Committee may be called by the Board President, the Chief Executive Officer, the Chair of the committee or a majority of the committee members. Each Advisory Committee shall meet as often as is necessary to perform its duties. Notice of a meeting of an Advisory Committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the committee members shall constitute a quorum for the transaction of business at any meeting of the committee, and a committee may take action by majority vote. Each Advisory Committee may keep minutes of its proceedings and shall report periodically to the Board.

(c) Members of an Advisory Committee shall serve until resignation or removal. Any member of a committee may resign at any time by giving written notice to the Board President or the Chief Executive Officer. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The Board President or the Board may remove any member of an Advisory Committee, and shall appoint a

member to fill a vacancy in any committee or any position created by an increase in the membership.

Section 9.05 Audit Committee. For any tax year in which this corporation has gross revenues of \$2 million or more, and if required by law, this corporation shall have an Audit Committee whose members shall be appointed by the Board, and who may include both Directors and non-Directors, subject to the following limitations: (a) members of the Finance Committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the Chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include the corporation's staff, including the Chief Executive Officer and the Chief Financial Officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this corporation; and (e) Audit Committee members who are not Directors may not receive compensation greater than the compensation paid to Directors for their Board service.

The Audit Committee shall: (1) recommend to the full Board for approval the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor; (2) subject to the supervision of the full Board, negotiate the compensation of the auditor on behalf of the Board; (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order; (4) review and determine whether to accept the audit; and (5) approve performance of any non-audit services provided to this corporation by the auditor's firm.

## **ARTICLE X. INDEMNIFICATION AND INSURANCE**

Section 10.01 Indemnification. To the fullest extent permitted by law, the corporation shall indemnify its Directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation by reason of the fact that the person is or was a person described in that section. "Expenses" shall have the same meaning herein as in Section 5238(a) of the Corporations Code. On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 10.02 Other Indemnification. No provision made by the corporation to indemnify its Directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, Bylaws, a resolution of Directors, an agreement, or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise.

Section 10.03 Insurance. The corporation may purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer's, Director's, employee's, or agent's status as such.

## **ARTICLE XI. OTHER PROVISIONS**

Section 11.01 Maintenance of Corporate Records. The corporation shall keep (a) adequate and correct books and records of account; (b) written minutes of the proceedings of the Board and

committees of the Board; (c) the original or a copy of its Articles of Incorporation and Bylaws, as amended to date; and (d) such reports and records as required by law. All such records shall be kept at the corporation's principal office.

Section 11.02 Inspection. Every Director shall have the right at any reasonable time, and from time to time, to inspect all books, records, and documents of every kind and the physical properties of the corporation, subject to applicable law. Such inspection by a Director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 11.03 Annual Report. Pursuant to Corporations Code Section 6321, within 120 days after the close of its fiscal year the corporation shall send each Director and any other persons as may be designated by the Board, a report containing the following information in reasonable detail:

(a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.

(b) The principal changes in the assets and liabilities, including trust funds, during the fiscal year.

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

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

Section 11.04 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report to all Directors, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and deliver to each Director any information required by Corporations Code Section 6322 with respect to the preceding year.

Section 11.05 Public Inspection and Disclosure. The corporation shall have available for public inspection at its principal office a copy of each of its annual exempt organization information returns for each of the last three years and a copy of its state and federal applications for recognition of exemption. In addition, at all times that the corporation has a valid Business Improvement District Agreement with the City of San Diego and provided that it is required by such agreement, the corporation shall also comply with the California Public Records Act.

Section 11.06 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 11.07 Fiscal Year. The fiscal year of the corporation shall end on June 30 each year.

## **ARTICLE XII. AMENDMENTS**

Section 12.01 Bylaw Amendments. These Bylaws will be reviewed periodically by the Board, or at such other interval as may be required by the corporation's Business Improvement District Agreement with the City of San Diego. The Board may adopt, amend, or repeal these Bylaws unless doing so would be a prohibited amendment under the California Corporations Code or the Business Improvement District Agreement with the City of San Diego. Any amendment to these Bylaws will require a majority vote of the Directors then in office, and is subject to the approval by a majority of the Members.

Section 12.02 Effective Date. These Bylaws and any amendments to these Bylaws shall be effective immediately upon their adoption.

# # #

## **CERTIFICATE OF ADOPTION**

I certify that I am the Secretary of San Ysidro Community and Economic Development Corporation, a California nonprofit public benefit corporation, and that the foregoing Bylaws of such corporation were duly adopted by the corporation's Board of Directors on July 9, 2025.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the corporation to this certificate on July 9, 2025.

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Secretary, San Ysidro Community and Economic  
Development Corporation

**Attachment 1**  
**List of Current Members**

In accordance with Section 5.01 of the attached Bylaws of San Ysidro Community and Economic Development Corporation, below is a list of the current Members of the corporation, which may be amended from time to time to reflect updates in the corporation's Members.

1. [insert Member's name]
2. [insert Member's name]
3. [insert Member's name]
4. [insert Member's name]
5. [insert Member's name]
6. [insert Member's name]
7. [insert Member's name]
8. [insert Member's name]
9. [insert Member's name]



**EXHIBIT B**

**CONFLICT OF INTEREST POLICY  
OF  
SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION**

**CONFLICT OF INTEREST POLICY**  
**OF**  
**SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION**  
(A California Nonprofit Public Benefit Corporation)

**ARTICLE I. PURPOSE**

Section 1.01. Purpose. The purpose of this Conflict of Interest Policy ("Policy") is to protect San Ysidro Community and Economic Development Corporation, a California nonprofit public benefit corporation (the "Corporation"), when it contemplates entering into a transaction or arrangement that might benefit the private interests of an officer, director, or any other person in a position of authority within the Corporation or might result in a possible excess benefit transaction as defined by Internal Revenue Code Section 4958.

Section 1.02. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations. In the event of any inconsistency with California law, California law shall prevail.

**ARTICLE II. DEFINITIONS**

Section 2.01 Interested Person. Any director, principal officer, or member of a committee with board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Section 2.02 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(a) An ownership or investment interest in any entity with which the Corporation has entered into or proposes to enter into any transaction or arrangement;

(b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has entered or proposes to enter into any transaction or arrangement; or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation entered into or proposes to enter into any transaction or arrangement.

However, notwithstanding the above and consistent with California Corporations Code Section 5233 regarding self-dealing transactions, a financial interest shall not include: (1) the compensation, typically director and officer stipends, per meeting fees and reimbursement of expenses, of a director as a director or officer of the Corporation; (2) a transaction which is part of a public or charitable program of the Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (ii) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the public or charitable program; or (3) a transaction, of which the interested director or directors have no actual knowledge, and which does not exceed the lesser of 1 percent (1%) of the gross receipts of the Corporation for the preceding fiscal year or one hundred thousand dollars (\$100,000).

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

insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 3.02, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

### **ARTICLE III. PROCEDURES**

Section 3.01 Duty to Disclose. In connection with any transaction or arrangement to which the Corporation is a party where there is an actual or possible conflict of interest, the interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board-delegated powers who are considering the proposed transaction or arrangement.

Section 3.02 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the potentially interested person, a determination must be made about whether an actual conflict of interest exists. The disinterested board or committee members shall determine on a case-by-case basis whether the disclosed interest constitutes an actual conflict of interest.

Section 3.03 Procedures for Addressing the Conflict of Interest.

(a) If it is determined that there is a conflict of interest, the interested person may make a presentation at the board or committee meeting and may answer questions regarding factual information related to the transaction or arrangement. The interest person shall abstain from otherwise participating in any discussions and votes concerning the transaction or arrangement.

(b) The chairperson of the board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Corporation's best interest, for the Corporation's own benefit, and whether the transaction or arrangement is fair and reasonable to the Corporation. In conformity with the above determination, the board or committee shall make its decision as to whether to enter into the transaction or arrangement.

Notwithstanding the foregoing, compliance with an approval procedure set forth in California Corporations Code Section 5233 regarding self-dealing transactions shall constitute compliance with this Policy.

If the Corporation holds a Business Improvement District Agreement with the City of San Diego that requires the Corporation to comply with the Political Reform Act and a conflict of interest exists that involves a "governmental decision" under the Political Reform Act, the individual shall refrain from participating in the decision in any way (i.e. the individual with the disqualifying interest shall refrain from

discussing the matter, making any decision on the matter, or influencing or attempting to influence the decision on the matter in any way). In such instances, a director with a disqualifying interest shall not be counted toward achieving a quorum for the decision on the matter.

In addition, if the Corporation holds a Business Improvement District Agreement with the City of San Diego that requires the Corporation to comply with Government Code Section 1090 and a Board member has a conflict of interest that involves a contract under Government Code Section 1090, the Corporation is prohibited from entering into the contract altogether, unless a “remote interest” exception under Section 1091 or a “non-interest” exception under Section 1091.5 applies. If such instances when an employee has a conflict of interest that involves a contract under Section 1090, as long as the employee plays no role whatsoever in the contracting process, the Corporation is not prohibited from entering into the contract. An employee shall not be deemed to have a conflict of interest in a contract if a “non-interest” exception under Section 1091.5 applies.

#### Section 3.04 Violations of the Conflict of Interest Policy.

(a) If the board or committee has reasonable cause to believe a director or officer has failed to disclose actual or possible conflicts of interest, it shall inform the director or officer of the basis for such belief and afford the director or officer an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the director’s or officer’s response and after making further investigation as warranted by the circumstances, the board or committee determines that the director or officer has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **ARTICLE IV. RECORDS OF PROCEEDINGS**

Section 4.01 The minutes of meetings of the board and all committees with board-delegated powers shall contain:

(a) The names of the person(s) who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board’s or committee’s decision as to whether a conflict of interest in fact existed.

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

### **ARTICLE V. COMPENSATION**

Section 5.01 A director who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that director’s compensation, except for compensation of a director as a director or officer of the Corporation (typically director and officer stipends, per meeting fees and reimbursement of expenses).

Section 5.02 A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from

voting on matters pertaining to that director's compensation, except for compensation as a director as a director or officer of the Corporation (typically director and officer stipends, per meeting fees and reimbursement of expenses).

Section 5.03 No director or committee member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **ARTICLE VI. ANNUAL STATEMENTS**

Section 6.01 Each director, officer and member of a committee with board delegated powers shall annually or upon taking office sign a statement that affirms such person:

- (a) Has received a copy of the Policy;
- (b) Has read and understands the Policy;
- (c) Has agreed to comply with the Policy; and
- (d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish its tax-exempt purposes.

The Corporation may utilize for this purpose the "Annual Conflict of Interest Statement" attached to this Policy.

#### **ARTICLE VII. PERIODIC REVIEWS**

Section 7.01 To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

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

#### **ARTICLE VIII. USE OF OUTSIDE EXPERTS**

Section 8.01 When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

# # #

### **CERTIFICATE OF ADOPTION**

I certify that I am the Secretary of San Ysidro Community and Economic Development Corporation a California nonprofit public benefit corporation, and that the foregoing Conflict of Interest Policy of such corporation was duly adopted by the corporation's Board of Directors on August 6, 2025.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the corporation to this certificate on August 6, 2025.

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Secretary, San Ysidro Community and Economic  
Development Corporation

**SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION  
ANNUAL CONFLICT OF INTEREST STATEMENT**

1. Name: \_\_\_\_\_ Date: \_\_\_\_\_

2. Position with San Ysidro Community and Economic Development Corporation:

\_\_\_\_\_

Are you a Director?    Yes        No

Are you an Officer?    Yes        No        If yes, which position do you hold: \_\_\_\_\_

\_\_\_\_\_

3. I affirm the following:

I received a copy of the Conflict of Interest Policy ("Policy"). \_\_\_\_\_ (initial)

I read and understand the Policy. \_\_\_\_\_ (initial)

I agree to comply with the Policy. \_\_\_\_\_ (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential) regarding San Ysidro Community and Economic Development Corporation, including a compensation arrangement, as defined in the Policy?    Yes        No

i. If yes, please describe it. If you need more space, please attach additional pages: \_\_\_\_\_

\_\_\_\_\_

ii. If yes, has the financial interest been disclosed, as provided in the Policy?    Yes        No

b. In the past, have you had a financial interest regarding San Ysidro Community and Economic Development Corporation, including a compensation arrangement, as defined in the Policy?    Yes        No

i. If yes, please describe it, including when (approximately). If you need more space, please attach additional pages: \_\_\_\_\_

\_\_\_\_\_

ii. If yes, has the financial interest been disclosed, as provided in the Policy?    Yes        No

\_\_\_\_\_  
Signature of Officer/Director

\_\_\_\_\_  
Date

**EXHIBIT C**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION  
TO  
AUTHORIZE OPENING A BANK ACCOUNT AND TO  
DESIGNATE CHECK SIGNING AUTHORITY**



**RESOLUTION OF THE BOARD OF DIRECTORS OF  
SAN YSIDRO COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION  
TO AUTHORIZE OPENING  
A BANK ACCOUNT AND TO DESIGNATE CHECK SIGNING AUTHORITY**

**WHEREAS**, San Ysidro Community and Economic Development Corporation is a California nonprofit public benefit corporation (the “Corporation”) that formed on June 11, 2025, and qualifies for income tax exemption pursuant to Internal Revenue Code Section 501(c)(3); and,

**WHEREAS**, the Board of Directors (“Board”) of the Corporation desires to delegate to the following individuals the authority to open bank accounts, and to sign checks and other documents approved by the Board, on behalf of the Corporation:

[name] \_\_\_\_\_, Board President

[name] \_\_\_\_\_, Vice President

[name] \_\_\_\_\_, Treasurer

**NOW, THEREFORE**, this Board of the Corporation finds and resolves as follows:

1. The above-identified individuals are granted authority to open bank accounts, and to sign checks and other Board-approved documents, on behalf of the Corporation.

# # #

**CERTIFICATE OF ADOPTION**

I certify that I am the Secretary of San Ysidro Community and Economic Development Corporation, a California nonprofit public benefit corporation, and that the foregoing resolution of such corporation was duly adopted by the corporation’s Board of Directors on August 6, 2025.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Corporation to this certificate on August 6, 2025.

\_\_\_\_\_  
Secretary, San Ysidro Community and Economic  
Development Corporation