

Adopted October 21, 2009

BYLAWS OF

**Downtown Stockton Alliance, Inc.
A California Nonprofit Corporation**

**ARTICLE I
NAME, OFFICE AND PURPOSES**

The name of this corporation is and shall be Downtown Stockton Alliance (hereinafter referred to as “the corporation”). The principal office of the corporation shall be located in the City of Stockton, California. The principal office and additional offices may be located in such other places as may be determined from time to time by the Board of Directors. The purposes of the Corporation shall be to establish an urban life style by improving and promoting the economic well-being of downtown Stockton through the creation of a management district, the creation of a downtown Stockton public-private partnership and related activities. Attached hereto as attachment “A” is a map depicting the management district managed by the corporation.

**ARTICLE II
DISSOLUTION**

This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits, or dividends of its members and is organized solely for nonprofit purposes. No part of the profits or net income of this corporation shall ever inure to the benefit of any Director, officer, or member thereof, or to any individual. Upon the dissolution or winding up of the corporation, after payment of, or provision for payment of, all debts and liabilities of this corporation, the remaining assets shall be distributed to a nonprofit fund, foundation, or

corporation which has established its tax exempt status under section 501(c) of the Internal Revenue Code.

ARTICLE III MEMBERS

Section 1. Determination of Members

This Corporation shall make no provisions for members, however, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this Corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors. Furthermore, all rights which would otherwise vest in the members under law, the Articles of Incorporation or the Bylaws of this Corporation, shall vest in the Board of Directors of this Corporation.

ARTICLE IV BOARD OF DIRECTORS

Section 1. General Powers

Subject to the limitations of these Bylaws, the Articles of Incorporation, and the laws of California, the affairs of the corporation shall be managed, and all corporate powers shall be exercised by, or under the direction of, a Board of Directors.

Section 2. Number, Tenure, Qualifications, Voting, and Nonvoting

Section 2.1 Voting Directors

The Corporation shall have 15 voting Directors who shall be unrelated persons including 14 elected Directors together with the immediate past Chair of the Board who shall serve ex-officio with vote for a term of one year. Each of the 15 voting Directors shall be entitled to one vote. Voting Directors shall serve two year terms ending on January 31st.

All voting Directors shall be a property owner, a business owner or a resident within the Downtown Management District or in the case of institutions and business organizations their respective representatives. The terms of the 14 elected voting Directors shall be staggered that 7 are elected each year. At such time as a vacancy or vacancies arise on the Board, the Executive Director shall publicize said vacancy or vacancies and solicit written applications to be submitted on the official DSA Application for Board Membership. Applications submitted to fill said vacancy or vacancies must meet the qualifications for membership on the Board as defined in Article IV Board of Directors, Section 2.1 Voting Directors. Upon closure of the recruitment period, qualified applications will be presented at the next convenient publicly noticed meeting of the Board.

Qualified applicants shall be invited to attend a publicly noticed meeting of the Board of Directors where they will be provided an opportunity to make a statement, not to exceed three (3) minutes regarding their application and interest in serving on the Board of Directors. Following the presentation of the applicant's statement of qualifications, Board members will be allowed to question the applicants. Upon the question and answer period, the Board shall be provided with a ballot containing the names of the qualified applicants. The names of the qualified applicants appearing on the ballot shall be listed in alphabetical order by the applicant's surname. Each member of the Board shall cast a vote for the number of qualified applicants appearing on the ballot not to exceed the number of vacancies existing on the Board. For example, if eight (8) names appear on the ballot but only four (4) vacancies exist on the Board, Board members shall vote for no more than four (4) qualified applicants. Write-in votes will not be accepted. The number of applicants equal to the number of vacancies receiving a plurality of votes cast shall assume a seat on the Board. In the event a tie occurs between applicants receiving the lowest total of

plurality votes cast, a subsequent ballot containing only the names of those individuals engaged in a tie will be cast until the tie is broken. The Board shall make selections so that the voting Directors in office at any given time represent the categories specified below.

The 14 elected voting Directors shall consist of the following categories:

- 2.1.1 A property owner in Zone 1.**
- 2.1.2 A business owner in Zone 1.**
- 2.1.3 A property owner in Zone 2.**
- 2.1.4 A business owner in Zone 2.**
- 2.1.5 A property owner in Zone 3.**
- 2.1.6 A business owner in Zone 3.**
- 2.1.7 A property owner in Zone 4.**
- 2.1.8 A Business owner in Zone 4.**
- 2.1.9 One representative of a financial institution.**
- 2.1.10 A resident or a representative of residents.**
- 2.1.11 Three Directors chosen at large who meet the requirements of one or more of categories 2.1.1 through 2.1.10.**
- 2.1.15 A representative of a public agency which has a jurisdiction within the Downtown Management District or portions thereof.**
- 2.1.16 In the event that a vacancy is created by the failure of any person to run for election for any of the voting directors position identified in sections 2.1.1 through and including 2.1.15, then the Board may appoint anyone meeting the requirements of an at-large position in section 2.1.14 to fill that vacancy for the remaining term of that position or upon such other terms that the Board may condition the appointment on.**

The Board may accept a resignation prior to filling that vacancy with a successor. A voting Director may designate as an alternate another elected voting Director who may then cast two votes at a meeting provided that a signed and dated proxy from has been submitted to the Chair prior to the start of the meeting., The designation of a proxy shall be valid only for one meeting. A voting Director shall not hold more than one proxy for a meeting.

Section 2.2 Ex-Officio Non-Voting Directors

The Board will identify and recruit organizations to serve as ex-officio non-voting Directors. The selection criteria will be based on the organizations' ability to provide or disseminate information to support the Downtown Stockton Alliance's goals and objectives. Additionally, organizations with interest in the downtown may request membership as an ex-officio non-voting Director.

There shall be no limit on the number of ex-officio non-voting members. The Board will by majority vote approve organizations as ex-officio non-voting Directors. Ex-officio non-voting member positions will be held in the name of the organization, not an individual. The organization shall choose a representative to attend as the regular designate or a designate for a single meeting. Ex-officio non-voting Directors will be encouraged to regularly attend board meeting and actively participate. Membership is at the discretion of the Board and may be revoked at anytime.

Section 3. Regular Meetings

Regular meetings of the Board shall be held at any place designated from time to time by resolution of the Board. The Executive Director is authorized and directed to place all routine approvals and authorizations on the agenda of the Board of Directors. Other matters may be placed on the agenda of the Board of Directors in the following manner:

- a. By direction of the Chair of the Board of Directors;
- b. By direction of a majority of the members of a committee or sub-committee of the Board of Directors as provided during a publicly noticed meeting of said committee or sub-committee;
- c. Any member of the Board of Directors wishing to have an item discussed at a future meeting shall make such a request utilizing that section of the agenda entitled “Board Member Comment and Items for Future Consideration”. By consensus, the Board shall determine whether Alliance resources shall be expended on the member’s request;
- d. Members of the public wishing to place an item on the agenda must have such a request sponsored by a member of the Board of Directors. Board members sponsoring such a request shall present the request to the Board during that section of the agenda entitled “Board Member Comment and Items for Future Consideration” By consensus, the Board shall determine whether Alliance resources shall be expended on the request from the member of the public.

e. Section 4. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the President, the Secretary, or a majority of the voting Directors.

Section 5. Notice of Regular and Special Meetings

Notice of all meetings provided to the Board of Directors shall be in accordance with the Brown Act located in California Government Code Section 54950 et. Seq..

Section 6. Quorum

A majority of the voting directors holding office at any point in time shall constitutes a quorum The Directors may continue to transact business during a meeting at which a quorum is initially present, notwithstanding the withdrawal of Directors, if any action is approved by at least a majority of the required quorum for that meeting. The calculation of a majority of the voting Directors holding office shall not include any vacancies on the Board of Directors.

Section 7. Manner of Action

Action by the Board shall be by a majority of the voting Directors present at a meeting duly held at which a quorum has been established unless a greater number is required by law.

Section 8. Vacancies

Section 8.1 Events causing vacancy

A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director, (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under the California Nonprofit Corporation Law; (iii) the increase of the authorized number of Directors; (iv) the failure of the members, at any meeting of members at which any Director or Directors are to be elected, to elect the number of directors to be elected at such meeting; (v) if a Director misses more than three (3) consecutive meetings or 50% of the Board Meetings in a 12 month period. At the last publicly noticed Board meeting of the calendar year attendance of Board members shall be reviewed. Those Board members

failing to meet the attendance requirements outlined above shall automatically be removed from office. Any person removed from office may seek reappointment.

Section 8.2 Increase

Any vacancy occurring in the Board of Directors and the directorships to be filled by reason of an increase in the number of Directors shall be filled by a majority of the remaining directors, though less than a quorum, or a sole remaining director. A Director elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office and until his or her successor is elected.

Section 9. Resignations

Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the Chairperson, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

Section 10. Compensation

Directors shall not receive compensation for their services as members of the Board. Nothing herein shall be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore or from receiving reimbursement for reasonable expenses, as may be fixed or determined by resolution of the Board.

Section 11. No Interest in Assets

No director shall possess any property right in or to the property of the corporation. In the event the corporation owns or holds any property upon its dissolution and winding

up, after paying or adequately providing for its debts and obligations, the Directors shall dispose of the remaining property in accordance with the provisions of the Articles of Incorporation and these Bylaws.

ARTICLE V OFFICERS

Section 1. Officers

The officers of the corporation shall be a President & Chairperson, a Vice Chairperson, a Secretary, a Treasurer, and such other officers as may be elected to offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. One person may hold two or more offices, except those of Chairperson and Treasurer but no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged, or verified by two or more officers.

Section 2. Election and Term of Office

The officers of the corporation shall be elected annually by the Board of Directors at the Board of Director's last publicly noticed meeting of the calendar year. If the election of any officer shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled, and vacancies may be filled, at any meeting of the Board of Directors. Each officer shall hold office until a successor shall have been elected, unless otherwise removed.

Section 3. Removal

Subject to the rights, if any, of an officer under any contract of employment, any officer elected or appointed by the Board may be removed by the Board with or without

cause, whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Resignation

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

Section 5. President & Chairperson

The President & Chairperson shall serve as the Chair of the Board of Directors. The President & Chair shall preside at all meetings of the corporation. The President & Chair shall serve as the primary liaison between the Board of Directors and the Executive Director. The President & Chair shall also be the primary spokesperson representing the Board of Directors.

Section 6. Vice Chairperson

The Vice Chairperson shall serve as the Vice Chair of the Board of Directors. In the absence of the Chairperson, the Vice Chairperson shall preside at meetings of the corporation.

Section 7. Secretary

The Secretary shall be responsible for the mailing of notices and see to the proper recording of proceedings of meetings of the corporation.

Section 8. Treasurer

The Treasurer shall be responsible for the corporation's funds and financial records. The Treasurer shall collect and report, or supervise collection and reporting, of

all income and expenditures, shall establish proper accounting procedures for the handling of the corporation's funds, and shall be responsible for the keeping of the funds in such banks as approved by the Board. The Treasurer shall report on the financial condition of the corporation at meetings of the Board and at other times when called upon by the Chairperson. At the end of each fiscal year, the Treasurer shall prepare, or cause to be prepared, an annual report which shall, if required by the Board, be reviewed by a certified public accountant. At the expiration of the Treasurer's term of office, or upon removal, the Treasurer shall immediately deliver over to the person designated by the President all books, money and other property in his or her charge.

ARTICLE VI COMMITTEES

Section 1. Administrative Committee

There shall be an Administrative Committee elected by the Board. The Administrative Committee shall be comprised of following: the officers, one additional at-large Director elected by the Board.

The Administrative Committee shall exercise such of the Board's authority as delegated by the Board except for the power to fill vacancies on the Board or to amend, repeal, or adopt bylaws. In the event when it is in the best interest of the corporation to take action on an issue(s) and there has been a lack of a quorum at a regular or special Board of Directors meeting to address said issue(s), the Administrative Committee may take action on said issue(s) and bind the corporation as long as the decision to act is supported by a majority of the Officers of the corporation. The Administrative Committee shall report on a regular basis to the Board of Directors. A membership on the Administrative Committee shall become vacant if a member fails to attend three consecutive meetings of the Administrative Committee in which case the Board shall

appoint a successor. Elections to the Administrative Committee shall be held at the Board's last publicly noticed meeting of the calendar year. If the election is not held at such meeting, such election shall be held as soon as thereafter conveniently possible. To provide for continuity as well as an opportunity for new membership, the members of the Administrative Committee shall serve the following term of office:

1. President & Chair to be elected to a two (2) year term each odd calendar year
2. Vice-Chair to be elected to a two (2) year term each even calendar year
3. Treasurer to be elected to a two (2) year term each odd calendar year
4. Secretary to be elected to a two (2) year term each even calendar year
5. At-large Director to be elected to a two (2) year term each odd calendar year

Section 2. Other Committees and Sub-committees

The Board of Directors may, by resolution, establish and appoint other committees and sub-committees as it deems necessary. Each member of the Board of Directors shall serve on at least one committee or sub-committee of the Board of Directors.

**ARTICLE VII
FISCAL YEAR**

The fiscal year of this corporation shall be January 1 through December 31.

**ARTICLE VIII
INDEMNIFICATION OF DIRECTORS, OFFICERS
AND OTHER CORPORATE AGENTS**

Section 1. Hold Harmless and Indemnification

The corporation shall, subject to the provisions of this Article VIII, to the extent allowed by applicable state and federal laws, indemnify, defend, and hold harmless its officers, directors, agents, and employees from and against any and all claims, liabilities, actions, proceedings, whether threatened, pending or completed, brought by reason of their

respective position with or relationships to the corporation, including, without limitation, all reasonable attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article VIII.

Section 2. Definitions

For the purposes of this Article VIII, "agent" means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another trust, or other enterprise; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 5 or 6.2 of this Article VIII.

Section 3. Indemnification in Actions by Third Parties

The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under section 5233 of the California Nonprofit Public Benefit Corporation Law), by reason of the fact that such person in or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonable believed to be in the best interests of the corporation and, in the case of a criminal proceeding had no reasonable cause to believe the conduct of such person was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction , or upon a plea of nolo contendere or its equivalent shall not, of itself; create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the persons conduct was unlawful.

Section 4. Indemnification in Actions by or in the Right of the Corporation

The corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation, or brought under section 5233 of the California Nonprofit Public Benefit Corporation Law, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 4:

- 4.1 In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;**

- 4.2 Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- 4.3 Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

Section 5. Indemnification Against Expenses

To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 3 or 4 of this Article VIII, or in defense of any claim, issue, or matter therein; the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 6. Required Determinations

Except as provided in Section 5 of this Article VIII, any indemnification under the Article VIII shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent had met the applicable standard of conduct set forth in Section 3 or 4 of this Article VIII, by:

- 6.1. A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or
- 6.2. The court in which such proceeding is or was pending upon application made by the corporation or the agent of the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the corporation.

Section 7. Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VIII.

Section 8. 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, Bylaws, a resolution of the directors, an agreement, or otherwise, shall be valid unless consistent with this Article VIII. Nothing contained in the Article VIII shall affect any right to indemnification to such persons other than which directors and officers may be entitled by contract or otherwise.

Section 9. Forms of Indemnification Not Permitted

No indemnification or advance shall be made under this Article VIII, except as provided in Section 5 or 6.2, in any circumstances where it appears:

- 9.1 That it would be inconsistent with a provision of the Articles, these Bylaws, a resolution of the Directors, or an agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or**
- 9.2 That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.**

Section 10. Insurance

The corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agency's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article VIII.

**ARTICLE IX
BOOKS AND RECORDS**

The corporation shall keep at its principal office correct and complete books and records of account, written minutes of the proceedings of its meetings, the original or a copy of the Articles and Bylaws as amended to date, and a record giving the names and addresses of all members.

**ARTICLE X
WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of the California Nonprofit Corporation Law or under the provisions of the Article s of Incorporation or by the Bylaws of the corporation, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, which is made a part of the minutes, shall be deemed equivalent to the giving of the notice.

**ARTICLE XI
ANNUAL REPORTS**

Not later than one hundred twenty (120) days after the close of the corporation's fiscal year, the Board shall cause to be sent to the members an annual report and an annual statement of transactions and indemnifications in accordance with applicable state law.

**ARTICLE XII
RULES OF ORDER**

The rules contained in Rosenberg’s Rules of Order or as may be amended from time to time, shall govern the corporation in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of Incorporation, or then existing law.

**ARTICLE XIII
AMENDMENTS TO BYLAWS**

New bylaws may be adopted, or these bylaws may be amended or repeated, by an affirmative majority vote of the Board of Directors at which a quorum is present. A copy of the proposed amendment or new bylaws shall be included in the notice of meeting given to each member of the Board of Directors.

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