

**Bylaws of  
Enhance La Jolla  
A California Nonprofit Public Benefit Corporation  
As Amended and Restated**

**ARTICLE I  
NAME AND PRINCIPAL OFFICE**

The name of the corporation is Enhance La Jolla (“the Corporation”). The principal office for the transaction of the affairs and activities of this Corporation shall be at 1131 Wall Street, La Jolla, California 92037. The Board of Directors may change the location of the principal office within the community of La Jolla, San Diego, California.

**ARTICLE II  
PURPOSE**

The purposes of this Corporation are charitable activities that serve a public interest within the meaning of Internal Revenue Code section 501(c)(3). The Corporation will combat community deterioration by fostering a sense of community through local philanthropy to provide for charitable organizations and community events; promote social welfare by engaging in charitable activities, community events, and supporting charitable organizations; erect and/or maintain public buildings, monuments or works, such as public spaces and gardens, which enrich the community and develop the beauty of the city; and lessen the burdens of government by operating the City-created La Jolla Maintenance Assessment District (“LJMAD”) and other programs and initiatives.

**ARTICLE III  
LIMITATIONS**

**Section 1: Purposes.** This Corporation is organized and operated exclusively for charitable purposes within the meaning of Internal Revenue Code section 501(c)(3).

**Section 2: Activities.** No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

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

**Section 4: Construction.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

## **ARTICLE IV MEMBERS**

**Section 1: Classes.** The owner, or the owner’s representative, of a property paying the LJMAD assessment shall be a member. Each assessed property may only have one representative as a member of the corporation.

**Section 2: Standing.** Members who are no more than thirty days past due in remittance of dues or fees and current in remittance of the LJMAD assessment shall be in good standing.

**Section 3: Membership Rights.** All members in good standing shall have the right to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the corporation’s assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, members shall have all rights afforded members under the California Nonprofit Public Benefit Law.

**Section 4: Membership Termination.** A membership shall terminate on occurrence of any of the following events:

- A. Resignation of the member;
- B. Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
- C. The members’ failure to pay dues, fees, as set by the Board, or LJMAD assessments within thirty days after they are due and payable;
- D. Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- E. Termination of membership under these Bylaws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the corporation’s purposes and interests.

**Section 5: Membership Suspension.** A member may be suspended, under these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the corporation’s rules of conduct, or has engaged in conduct materially and seriously prejudicial to the corporation’s purposes and interests. A person whose membership is suspended shall not be a member during the period of the suspension.

**Section 6: Termination and Suspension Procedures.** If grounds appear to exist for suspending or terminating a member under these Bylaws, the following procedure shall be followed:

- A. The Board shall give the member at least fifteen (15) days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.
- B. The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.
- C. The Board, committee or person shall decide whether the member should be suspended, expelled, or sanctioned in any way. The decision of the Board, committee or person shall be final.
- D. Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

**Section 7: Transfer of Memberships.** A membership may be transferred to a prospective member meeting the qualifications set forth in these Bylaws; provided, however, that no member may transfer a membership or any right arising from it for value. The Board may, by resolution, impose transfer fees or other conditions on the transferring party as it deems fit, provided that those fees and conditions are the same for similarly situated members. All rights of membership cease on the member's death, suspension, termination, or dissolution.

**Section 8: Non-Voting Members.** The Corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of non-voting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

## **ARTICLE V MEMBERS MEETINGS**

**Section 1: Annual Meeting.** A general meeting of the members shall be held at least annually at such time and place within the boundaries of the LJMAD, and on such notice given in accordance with the provisions of the Ralph M. Brown Act, per Section 4 of this Article V, as the Board may determine. Unless elected by written ballot, Directors shall be elected at this meeting. Subject to these Bylaws and the California Nonprofit Public Benefit Corporation Law, any other proper business may be transacted at this meeting.

**Section 2: Place of Meetings.** Meetings of the members shall be held at such location in the LJMAD as may be determined by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the corporation's principal office. The Board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

**Section 3: Special Meetings.** The Board or the Chairperson of the Board, if any, or five percent (5%) or more of the members, may call a special meeting of the members for any lawful purpose at any time. A special meeting called by any person entitled to call a meeting of the members shall be called by written request, specifying the general nature of the business proposed to be transacted, and addressed to the attention of any submitted to the Chairperson of the Board, if any, or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to all members entitled to vote, under Section 4 below, stating that a meeting will be held at a specified time and date fixed by the Board. However, the meeting date shall be at least thirty-five (35), but not more than ninety (90) days after receipt of the request. If the notice is not given within 20 days after the request is received the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

**Section 4: Notice.**

- A. Member Action. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.
- B. Specific Proposals. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:
  - 1. Removing a Director without cause;
  - 2. Filling vacancies on the Board;
  - 3. Amending the Articles of Incorporation; or
  - 4. Electing to wind up and dissolve the corporation.
- C. Manner of Notice. Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either:
  - 1. Notice is sent to that member by first-class mail or facsimile or other written communication to the corporation's principal office; or

2. Notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.
- D. Affidavit of Mailing. An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.
- E. Brown Act. Notwithstanding the foregoing, notice of meetings shall also be given in accordance with the provisions of the Ralph M. Brown Act, Government Code §54950 et. seq. The noticing provisions in these Bylaws shall be subject to any amendments of the Ralph M. Brown Act. Notice of regular meetings shall be posted at least seventy-two hours prior to the meeting in a publicly accessible location and on the Corporation's website, in accordance with the requirements of the Ralph M. Brown Act. Each such notice shall state the general business to be transacted, and the day, time and place of the meeting. Business may be transacted at any regular meeting of the members in accordance with the requirements of the Ralph M. Brown Act.

**Section 5: Quorum.** Five percent (5%) of the voting power shall constitute a quorum for the transaction of business at any meeting of members. If, however, the attendance at any general or annual meeting is less than one-third (1/3) of the voting power, the members may vote only on matters as to which notice of their general nature was given under Section 4 above. Except as otherwise required by law, the Articles of Incorporation, or these Bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

**Section 6: Voting.** Subject to the California Nonprofit Public Benefit Corporation Law, members in good standing on the record date as determined under Section 7 below shall be entitled to vote at any meeting of members. Voting may be by voice or by ballot, except that election of Directors must be by ballot if demanded before the voting begins by any member at the meeting. Each member entitled to vote may cast one vote on each matter submitted to a vote of the members. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law or the Articles of Incorporation. Any action that members may take at any meeting of members may also be taken without a meeting by complying with the following procedures:

- A. The corporation shall distribute one written ballot to each member entitled to vote on the matter. The ballot and any related material may be sent by electronic transmission by the corporation, and responses may be returned to the corporation by electronic transmission that meets the requirements of these Bylaws. All solicitations of votes by written ballot shall:
  1. State the number of responses needed to meet the quorum requirement;
  2. State, with respect to ballots other than for election of Directors, the percentage of approvals necessary to pass the measure or measures; and

3. Specify the time by which the ballot must be received in order to be counted.
4. Each ballot so distributed shall:
  - a. Set forth the proposed action;
  - b. Give the members an opportunity to specify approval or disapproval of each proposal; and
  - c. Provide a reasonable time in which to return the ballot to the corporation.
- B. If the corporation has one hundred (100) or more members, any written ballot distributed to ten or more members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.
- C. In any election of Directors, a written ballot that a member marks “withhold” or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a Director.
- D. Approval by written ballot shall be valid only when:
  1. The number of votes cast by ballot (including ballots that were marked “withhold” or otherwise indicate that authority to vote is withheld), within the time frame specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and
  2. The number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.
- E. A written ballot may not be revoked.
- F. All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least three (3) years.

**Section 7: Record Date.**

- A. For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of Directors may, in advance, fix a record date. The record date fixed for:
  1. Sending notice of a meeting shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting.
  2. Voting at a meeting shall be no more than sixty (60) days before the date of the meeting.
  3. Voting by written ballot shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited.
  4. Taking any other action shall be no more than sixty (60) days before that action.
- B. If not otherwise fixed by the Board, record dates shall be:
  1. For determining members entitled to receive notice of a meeting of members, the record date shall be the next business day preceding the day on which notice is given, or, if notice is waived, the next business day preceding the day on which the meeting is held. If not otherwise fixed by the Board, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held.

2. For determining members entitled to vote by written ballot, the record date shall be the day on which the first written ballot is mailed or solicited.
  3. For determining members entitled to exercise any rights with respect to any other lawful action, the record date shall be the date on which the board adopts the resolution relating to that action, or the sixtieth (60<sup>th</sup>) day before the date of that action, whichever is later.
- C. For purposes of this Section, a person holding a membership at the close of business on the record date shall be a member of record.

**Section 8: Proxies.** Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the member and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.

- A. If the corporation has one hundred (100) or more members, any form of proxy distributed to ten (10) or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of Directors, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director.
- B. Any proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, in an election of directors, the proxy lists the persons who have been nominated at the time the notice of the vote is given to the members. Such matters include amendments of the Articles of Incorporation or Bylaws changing proxy rights; certain other amendments of the Articles of Incorporation; remove of directors without cause; filling vacancies on the Board; the sale, lease, exchange conveyance, transfer, or other disposition of all or substantially all corporate assets, unless the transaction is in the usual and regular course of the corporation's activities; the principal terms or a merger or the amendment of a merger agreement; or the election to dissolve the corporation.
- C. No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be three (3) years after the date of execution. A validly executed proxy shall continue in full force and effect until either:
  1. It is revoked by the member executing it before the vote is cast under that proxy:
    - a. By a writing delivered to the corporation stating that the proxy is revoked; or
    - b. By a subsequent proxy executed by that member and presented to the meeting;  
or
    - c. As to any meeting, by the member's personal attendance and voting at the meeting; or

2. Written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under the proxy is counted. A proxy may not be irrevocable.

**Section 9: Adjournment.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate) are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

## **ARTICLE VI DIRECTORS**

**Section 1: Number.** The Corporation shall have thirteen (13) Directors. Each Director shall have one vote. A reduction in the number of Directors shall not result in removal of any Director before his or her term of office expires.

**Section 2: Tenure.** The initial Directors shall serve for staggered terms of one, two, or three years. The initial terms shall be measured from July 1, 2017 or the date the management contract is signed with the City of San Diego, whichever is later. At the first duly constituted meeting of the Board of Directors, the initial Directors shall draw lots to determine their individual terms. Thereafter, each Director of the Corporation shall serve for a term of three (3) years. Directors may serve two (2) consecutive terms. For any Director who has served two (2) terms, after a period of one (1) year of not serving as a Director, that individual may again be elected as a Director.

**Section 3: Criteria.** Among the thirteen (13) Directors:

- A. Seven (7) shall be property owners or representatives of property owners paying the LJMAD assessment;
- B. Three (3) shall be members of the Board of Directors of the La Jolla Community Foundation;
- C. One (1) shall be a member of the La Jolla Village Merchants Association; and
- D. Two (2) shall be a representative of the La Jolla community at large with an interest in the well-being of the La Jolla community.

**Section 4: Restriction on Interested Directors.** Not more than 49 percent of the persons serving on the Board of Directors at any time may be interested persons. An interested person is:

- A. Any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise;

- B. Any shareholder, employee or officer of any corporation, or partner or employee of any partnership, which has rendered compensated services to the Corporation within the previous 12 months; and
- C. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any person described in subsection A or B of this Section 4.

Any violation of the provisions of this section shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

**Section 5: Initial Directors.** The initial Directors shall be appointed by the incorporator of the Corporation. At the first duly held meeting, the initial Directors shall draw lots to determine their individual terms.

**Section 6: Director Election.** Members in good standing shall be eligible to vote for Directors. Directors shall be elected at the annual meeting. Procedures for election of the Directors, including reasonable procedures for nomination and election by members, shall be developed by the Board.

**Section 7: Powers.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation law, any other applicable laws, and subject to any limitations of the Articles of Incorporation and these Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised by, or under the direction of, the Board.

**Section 8: Specific Powers.** Without prejudice to the general powers set forth in Article VI, Section 7 of these Bylaws, but subject to the same limitations, the Board shall have the power to do the following:

- A. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.
- B. Change the principal office or the principal business office in the community of La Jolla, San Diego, California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place within the LJMAD for holding any meeting of members or the Board of Directors.
- C. Adopt, make, and use a corporate seal and alter the form of the seal.
- D. Borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.

**Section 9: Occurrence of Vacancies.** A vacancy or vacancies on the Board shall occur in the event of:

- A. The death, removal or resignation of any Director; or
- B. The declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or

- found by final order or judgment of any court to have breached a duty arising under the California Nonprofit Public Benefit Corporation Law, or other applicable laws; or
- C. The vote of the members, or if the corporation has fewer than fifty (50) members, the vote of a majority of all members, to remove the Director; or
  - D. An increase in the authorized number of Directors; or
  - E. A Director's no longer meeting the requirements of Section 3 above; or
  - F. The failure of a Director to maintain good standing; or
  - G. The failure of a Director to attend more than three consecutive unexcused meetings and an affirmative vote of the Board to remove the Director; or
  - H. The failure of an election to elect the number of Directors required to be elected in that election.

**Section 10: Filling Vacancies.** Vacancies shall be filled for the duration of the departed Director's term.

- A. Except for vacancies created by the members' removal of a Director, vacancies on the Board may be filled by approval of the Board, or if the number of Directors then in office is less than a quorum, by either:
  - 1. The affirmative vote of a majority of Directors then in office at a meeting held according to the notice provisions of these Bylaws and the Ralph M. Brown Act; or
  - 2. A sole remaining Director.
- B. The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors.

**Section 11: Resignation of Directors.** Except as provided below, any Director may resign by giving written notice to the chair of the Board, if any, or the secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Directors' resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the California Attorney General, no Director may resign if the Corporation would be left without a duly elected Director or Directors.

**Section 12: Removal of Directors.** Any Director may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal question are given as provided in Article VII.

**Section 13: Compensation and Reimbursement.** Directors shall serve as volunteers and shall not be compensated. Directors may be reimbursed for expenses, as the Board may establish by resolution to be just and reasonable to the Corporation at the time that the resolution is adopted.

## ARTICLE VII DIRECTORS MEETINGS

**Section 1: Annual Meetings.** The annual meeting of the Corporation shall be held at such time in April as the Board may fix from time to time. At the annual meeting, directors and officers

shall be elected and other business may be transacted, subject to the provisions of these Bylaws. Notice of the annual meeting shall be posted at least seventy-two hours prior to the meeting in a publicly accessible location and on the Corporation's website, in accordance with the requirements of the Ralph M. Brown Act. Each notice shall state the general business to be transacted, and the day, time and place of the meeting.

**Section 2: Board of Directors Regular Meetings.** The Board shall meet at least quarterly on dates agreed upon by the Board. Notice of regular meetings shall be posted at least seventy-two hours prior to the meeting in a publicly accessible location and on the Corporation's website, in accordance with the requirements of the Ralph M. Brown Act. Each such notice shall state the general business to be transacted, and the day, time and place of the meeting. Business may be transacted at any regular meeting of the Board in accordance with the requirements of the Ralph M. Brown Act.

**Section 3: Board of Directors Special Meetings.** Special meetings of the Board may be called by the Chairperson of the Board or any three Directors. Notice of special meetings shall be given to each Director stating the time, place, and business to be discussed at least twenty-four hours before the time of the meeting specified in the notice. Notice shall be delivered to the Board personally or by any other means pursuant to Government Code §54956. Notice shall also be posted at least twenty-four hours prior to the meeting in a publicly accessible location, and on the Corporation's website in accordance with the requirements of the Ralph M. Brown Act.

**Section 4: Notice of Meetings.** Notice of all meetings will be given in accordance with the provisions of the Ralph M. Brown Act, Government Code §54950 et. seq. The noticing provisions in these Bylaws shall be subject to any amendments of the Ralph M. Brown Act.

**Section 5: Place of Meetings.** All meetings of the Corporation shall be held at such location in the LJMAD as may be determined by the Board.

**Section 6: Telephonic Appearance.** Teleconferencing, as authorized by §54953 of the Ralph M. Brown Act may be used for all purposes in connection with meetings. All votes taken during a teleconferenced meeting shall be by roll call. If teleconferencing is used, the Board shall post the agenda at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the Board. Each teleconference location shall be identified in the notice and agenda of the meeting, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the Board shall participate from locations within the boundaries of the LJMAD. The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to §54954.3 at each teleconference location.

**Section 7: Quorum.** A majority of the Directors then in office shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to:

- 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 Directorships,
- C. Creation of and appointment to committees of the Board, and
- D. Indemnification of Directors.

## **ARTICLE VIII OFFICERS**

**Section 1: Offices Held.** The officers of the Corporation shall be a Chairperson, a Secretary, a Treasurer, and such other officers as the Board may from time to time designate. All officers shall be Directors in good standing of the Board. Any number of offices may be held by the same person, except that the Secretary and the Treasurer may not serve concurrently as the Chairperson. The officers of the Corporation shall serve as the Executive Committee.

**Section 2: Election of Officers.** The officers of this Corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any employment contract.

**Section 3: Term.** All officers shall be elected for a term of one (1) year or until their successors are elected and qualified.

**Section 4: Removal of Officers.** Without prejudice to the rights of any officer under an employment contract, if any, the Board may remove any officer with or without cause, at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by an officer on whom such power of removal has been conferred by the Board of Directors.

**Section 5: Resignation of Officers.** Any officer may resign at any time by giving written notice to the Board, the Chairperson, or the Secretary of the Corporation. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.

**Section 6: Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed by these Bylaws for normal appointments to that office. However, vacancies need not be filled on an annual basis.

**Section 7: Responsibilities of Chairperson.** The Chairperson shall preside at all meetings and have such other powers and duties as the Board or these Bylaws may require.

**Section 8: Responsibilities of Secretary.** The Secretary of the Corporation shall have the following responsibilities:

- A. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings,

- proceedings, and actions of the Board, and of committees of the Board, and of any members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and if special, how authorized; the notice given; the names of persons present at Board and committee meetings; the number of members present or represented at members' meetings and any action taken and the vote or abstention on that action of each member present for the action.
- B. The Secretary shall keep or cause to be kept, at the Corporation's principal office, a copy of the Articles of Incorporation and Bylaws, as amended to date.
  - C. The Secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's directors, showing each director's name, address, and business represented.
  - D. The Secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's members, showing each member's name, address, business or property represented, and class of membership.
  - E. The Secretary shall give, or cause to be given, notice of all meetings that these Bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.
  - F. The Secretary shall maintain, or cause to be maintained, the Corporation's records in accordance with the requirements of the California Public Records Act, Government Code §6250 et seq.

**Section 9: Responsibilities of Treasurer.** The Treasurer of the Corporation shall have the following responsibilities:

- A. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the members and Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.
- B. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation; and have such other powers and perform such other duties as the Board or these Bylaws may require.
- C. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in the amount and with the surety specified by the Board for the faithful performance of the duties of his or her office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

### **Section 10: Contracts with Directors.**

- A. No Director of this Corporation nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors are Directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Corporation unless:
1. The material facts regarding that Director's financial interest in such contract or transaction or regarding such common Directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction;
  2. Such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote(s) of the interested Director(s);
  3. Before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
  4. The Corporation for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction is entered into.
- B. This section does not apply to a transaction that is part of an educational or charitable program of this Corporation if it:
1. Is approved or authorized by the Corporation in good faith and without unjustified favoritism; and
  2. Results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefitted by the educational or charitable program of this Corporation.

**Section 11: Loans.** The Corporation shall not loan any money or property to, or guarantee the obligation of, any Director or officer of the Corporation without the approval of the California Attorney General, provided, however, that the Corporation may advance money to a Director or officer for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses by the Corporation.

## **ARTICLE IX COMMITTEES**

**Section 1: Establishment.** The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors and no one who is not a Director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may do the following:

- A. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- B. Fill vacancies on the Board or any committee of the Board;
- C. Fix compensation of the Directors for serving on the Board or any committee;
- D. Amend or repeal Bylaws or adopt new Bylaws;
- E. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- F. Create any other committees of the Board or appoint the members of committees of the Board;
- G. Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; or
- H. Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, or between the Corporation and one or more of its Directors or between the Corporation and any corporation or firm in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code §5233(d)(3).

**Section 2: Executive Committee.** The officers of the Corporation shall serve as the executive committee of the Board. The executive committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board; provided, however, that the executive committee shall not have the authority of the Board in reference to those matters enumerated in Section 1 above. All actions of the executive committee shall be reported to and ratified by the Board at the next duly scheduled Board meeting.

**Section 3: Meetings and Actions of Committees.** Meetings and actions of committees shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Board actions, except that the time for general meetings of committees and calling of special meetings of committees may be set either by Board resolution, or if none, by resolution of the committee. Notice of committee meetings will be given in accordance with the provisions of the Ralph M. Brown Act. Minutes of each meeting shall be kept and shall be filed with the corporate records, and in accordance with the provisions of the California Public Records Act. The Board may adopt rules for governance of any committee as long as the rules are consistent with these Bylaws. If the Board has not adopted rules, the committee may do so.

**Section 4: Audit Committee.** At all times that this Corporation is required by applicable law to have an independent audit, or at any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as a Director) may not serve on the Audit Committee. The Chairperson and Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to:

- A. Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;
- B. Negotiating the auditor's compensation;
- C. Conferring with the auditor regarding the Corporation's financial affairs; and
- D. Reviewing and accepting or rejecting the audit.

Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

**Section 5: Advisory Committees.** The Board may establish one or more advisory committees. The members of any advisory committee may consist of Directors or non-directors. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory committees shall be subject to the supervision and control of the Board.

## **ARTICLE X INDEMNIFICATION AND INSURANCE**

### **Section 1: Indemnification.**

- A. To the fullest extent permitted by law, this Corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in the Corporations Code, including persons formerly occupying 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 the Corporations Code, 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 the Corporations Code. "Expenses," as used in these Bylaws, shall have the same meaning as in the Corporations Code.
- B. On written request to the Board by any person seeking indemnification under the Corporations Code, the Board shall promptly decide under that code whether the applicable standard of conduct set forth has been met, and if so the Board shall authorize indemnification.
- C. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

**Section 2: Insurance.** This Corporation shall have the right, and shall use its best efforts, to 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, whether or not the Corporation would have the power to indemnify the agent against such liability under Article 10 Section 1 of these Bylaws; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Director, officer, or agent of the Corporation for any self-dealing transaction, as described in Corporations Code §5233.

## **ARTICLE XI RECORDS**

**Section 1: Maintenance.** This Corporation shall keep all of the following records, either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two:

- A. Adequate and correct books and records of account; and
- B. Minutes of the proceedings of its Board and committees.

**Section 2: Inspection by Directors and Members.** Every Director and member shall have the absolute right, at any reasonable time, to inspect the Corporation's books, records, and documents of every kind, and to inspect the physical properties of the Corporation. The inspection may be made in person or by the Director's or member's agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind.

**Section 3: Articles and Bylaws.** This Corporation shall keep, at its principal office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to the current date, that shall be open to inspection by members at all reasonable times during office hours.

**Section 4: Annual Reports.** The Secretary of the Corporation shall prepare and submit, or cause to be prepared and submitted, the following annual report. The Secretary shall keep, or cause to be kept, copies of all annual reports with the Corporation's records.

Corporation Annual Report. The Board shall cause an annual report to be sent to the members and Directors within 120 days after the end of the Corporation's fiscal year. This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors and to any member who requests it in writing. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission. That report shall contain the following information, in appropriate detail:

1. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
3. The Corporation's revenue or receipts, both unrestricted and restricted to particular purposes, during the fiscal year;

4. The Corporation's expenses or disbursements for both general and restricted purposes, during the fiscal year;
5. Any transaction during the previous fiscal year involving more than \$50,000 in which the Corporation was a party and in which any Director or officer of the Corporation has a direct or indirect financial interest, or any of a number of such transaction in which the same person had a director or indirect financial interest and which transactions in the aggregate involved more than \$50,000;
6. The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Director or officer of the Corporation pursuant to Article 10 of these Bylaws, unless such indemnification has already been approved pursuant to Article 10 Section 1. For each transaction, the report must disclose the names of the interested persons involved in such transaction and state such person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest;
7. Any information required by these Bylaws; and
8. An independent accountant's report, or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

**Section 5: Annual Statement.** As part of the annual report to all members, 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, prepare and mail, deliver or send by electronic transmission and furnish to each member and furnish to its Directors a statement of any transaction or indemnification of the following kinds:

- A. Any indemnification or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation, unless that indemnification has already been approved by the members under Corporations Code §5238(e)(2).
- B. Any transaction in (1) in which the Corporation was a party (b) in which an "interested person" had a direct or indirect material financial interest, and (c) that involved more than \$50,000 or was one of several transactions with the same interested person involving more than \$50,000. For this purpose, an "interested person" is either:
  1. Any Director or officer of the Corporation (but mere common Directorship shall not be considered such an interest); or
  2. Any holder of more than 10 percent (10%) of the voting power of the Corporation.
- C. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner only the interest of the partnership need be stated.

**Section 6: Financial Audit.** The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract

income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within 9 months after the close of the fiscal year to which the statements relate. For 3 years, such statements (a) shall be available at the Corporation's principal, regional, and district offices during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

## **ARTICLE XII OPERATIONS AND ADMINISTRATION**

**Section 1: Fiscal Year.** The fiscal year of the Corporation shall begin on July 1 and end on June 30 of each year.

**Section 2: Funds.** All funds of the Corporation shall be deposited in such banks, trust companies, or other reliable depositories as the Board from time to time may determine. All checks, drafts, endorsements, notes and evidence of indebtedness of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board may determine from time to time. Endorsements for deposits to the credit of the Corporation shall be made in such manner as the Board may determine from time to time. If any LJMAD revenues are used to generate income for the Corporation, those funds must be reimbursed to the LJMAD fund on a pro rata basis.

**Section 3: Contracts.** The Chairperson, or any other officer or agent specifically authorized by the Board may, in the name of and on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board. Without the express and specific authorization of the Board, no officer or agent may enter into any contract or execution or deliver any instrument in the name of or on behalf of the Corporation. Any contract funded by LJMAD revenue must follow the City of San Diego's procurement standards.

**Section 4: Brown Act Compliance.** To the extent that the Corporation is subject to the open meeting requirements of the Ralph M. Brown Act, then the Board will comply with the provisions of Government Code §54950 through and including §54961. To the extent that any provisions of these Bylaws are inconsistent with the Ralph M. Brown Act, the provisions of said act shall prevail. In the event the Corporation is not required to comply with the Brown Act, then the Board will not endeavor to meet the requirements of the Brown Act.

## **ARTICLE XIII EMERGENCY PROVISIONS**

**Section 1: Emergency.** The emergency bylaw provisions of this Article 13 are adopted in accordance with Corporations Code §5151(g). Notwithstanding anything to the contrary herein, this section applies solely during an emergency, which is the limited period of time during which a quorum cannot be readily convened for action as a result of the following events or circumstances until the event or circumstance has subsided or ended and a quorum can be readily convened in accordance with the notice and quorum requirements in Article 7 of these Bylaws:

- A. A natural catastrophe, including, but not limited to, a hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or regardless of cause, any fire, flood, or explosion;
- B. An attack on this state or nation by an enemy of the United States of America, or on receipt by this state of a warning from the federal government indicating that an enemy attack is probable or imminent;
- C. An act of terrorism or other manmade disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government function, or population, including, but not limited to, mass evacuations; or
- D. A state of emergency proclaimed by the governor of the state in which one or more Directors are residents, or by the President of the United States.

**Section 2: Emergency Actions.** During an emergency, the board may:

- A. Modify lines of succession to accommodate the incapacity of any Director, officer, employee, or agent resulting from the emergency;
- B. Relocate the principal office or authorize the officers to do so;
- C. Give notice to a Director or Directors in any practicable manner under the circumstances, including, but not limited to, by publication and radio, when notice of a meeting of the Board cannot be given to that Director or Directors in the manner prescribed by Article 7 of these Bylaws; and
- D. Deem that one or more officers present at a Board meeting is a Director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

During an emergency the Board may not take any action that is not in the Corporation's ordinary course of business. Any actions taken in good faith during an emergency under this Section may not be used to impose liability on a Director, officer, employee, or agent.

## **ARTICLE XIV AMENDMENT**

**Section 1: Bylaw Amendments.** Subject to the members' rights and the limitations set forth below, the Board may adopt, amend, or repeal Bylaws unless doing so would:

- A. Materially and adversely affect the members' rights as to voting, dissolution, redemption, or transfer;
- B. Increase or decrease the number of members authorized in total or for any class;
- C. Effect an exchange, reclassification, or cancellation of all or part of the memberships;  
or
- D. Authorize a new class of membership.

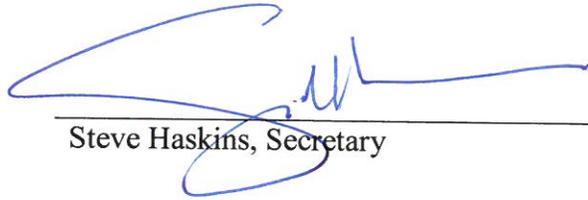
**Section 2: Changes to Number of Directors.** Once members have been admitted to the corporation, the Board may not, without the members' approval:

- A. Fix or change the authorized number of Directors;
- B. Fix or change the minimum or maximum number of Directors; or
- C. Change from a fixed number of Directors to a variable number of Directors or vice versa.

## CERTIFICATE OF SECRETARY

I, Steve Haskins, certify as follows:

1. I am the duly elected and acting Secretary of Enhance La Jolla, a California Nonprofit Public Benefit Corporation;
2. That these Bylaws, consisting of 21 pages, inclusive, are the Bylaws of the Corporation as amended by the Board of Directors on May 3, 2017;
3. That these Bylaws have not been amended or modified since that date.



---

Steve Haskins, Secretary

Adopted May 10, 2016  
Amended May 3, 2017