

**ARTICLES OF INCORPORATION FOR THE HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2000
REVISED AND APPROVED SEPTEMBER 2011**

ONE: The name of this corporation is **Historic Lincoln Heights Industrial Zone Economic Development Corporation;**

TWO: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes for which this corporation is organized are as follows:

- a) To bring about the revitalization of the **Historic Lincoln Heights Industrial Zone** and its related commercial corridors in the City of Los Angeles and its surrounds.
- b) To bring about the investment of private and public capital within **the Historic Lincoln Heights Industrial Zone** and its surrounds for public benefit and charitable purposes.
- c) To bring about the increased provision of quality public improvements and educational, cultural, artistic, charitable, and social services within **the Lincoln Heights community** and its surrounds;
- d) To bring about the increased economic well being of property owners, residents, employees, and businesses within **the Historic Lincoln Heights Industrial Zone** and its surrounds.
- e) To provide improvement and activities which confer special benefit to real property owners in **the Historic Lincoln Heights Industrial Zone** as well as economic development and commercial revitalization within the **District** and the surrounding community. Improvements and activities include implementation of clean, safe and beautiful programs as well as any other related activities which will directly improve the economic prosperity of the business and residential community within **the District**.

THREE: The name and address in the State of California of this corporation's initial agent for service of process is Marco Li Mandri, 1830 Columbia Street, San Diego, CA 92101.

FOUR: (a) This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

c) No substantial part of the activities of this corporation shall consist of carrying on propaganda, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

FIVE: The names and addresses of the persons appointed to act as the initial Directors of this corporation are:

SIX: The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the organization shall ever inure to the benefit of any Director, officer or member thereof or to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after payment of, 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 Section 501(c)(3) of the Internal Revenue Code.

**BYLAWS OF THE
HISTORIC LINCOLN HEIGHTS INDUSTRIAL ZONE ECONOMIC DEVELOPMENT CORPORATION
A CALIFORNIA PUBLIC BENEFIT CORPORATION**

APPROVED ORIGINALLY IN SEPTEMBER 30, 2000

APPROVED SEPTEMBER 29TH, 2011

**ARTICLE I
OFFICES**

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in Los Angeles County, California.

SECTION 2. CHANGE OF ADDRESS

The County of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

SECTION 3. OTHER OFFICES

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

**ARTICLE II
PURPOSES**

SECTION 1. OBJECTIVES AND PURPOSES

- a) To bring about the revitalization of the **Historic Lincoln Heights Industrial Zone** and its related commercial corridors in the City of Los Angeles and its surrounds.
- b) To bring about the investment of private and public capital within **the Historic Lincoln Heights Industrial Zone** and its surrounds for public benefit and charitable purposes.

- c) To bring about the increased provision of quality public improvements and educational, cultural, artistic, charitable, and social services within **the Lincoln Heights community** and its surrounds;
- d) To bring about the increased economic well being of property owners, residents, employees, and businesses within **the Historic Lincoln Heights Industrial Zone** and its surrounds.
- e) To provide improvement and activities which confer special benefit to real property owners in the **Historic Lincoln Heights Industrial Zone** as well as economic development and commercial revitalization within the **District** and the surrounding community. Improvements and activities include implementation of clean, safe and beautiful programs as well as any other related activities which will directly improve the economic prosperity of the business and residential community within **the District**.

ARTICLE III

MEMBERS

The Corporation shall have no members, as that term is defined in Section 5056 of the California Corporations Code (“**Code**”). Unless otherwise provided herein or in the Code, any action which would otherwise require approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the Board. Nothing in these Bylaws shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation, as “members” even though such persons are not members as defined in Section 5056 of the Code. Such persons shall be deemed to be associated persons with respect to the Corporation as that term is defined in Section 5332 of the Code, and no such reference shall constitute anyone a member of the Corporation.

ARTICLE IV

NOMINATIONS FOR THE BOARD OF DIRECTORS

ADDITIONAL REPRESENTATIVES

Section 1: Certain Definitions.

- a. “**Business Tenant**” means a holder of a valid and fully paid City Business Tax Certificate relating to an address located in the District.
- b. “**Community at Large Representative**” means a District resident, community member, or a business tenant located within the BID boundaries or an individual whom the Board believes will further the public benefit purposes of the corporation. .

c. **“District”** shall mean the Historic Lincoln Heights Industrial Zone BID in the City of Los Angeles, California, formed pursuant to the City Business Improvement District Ordinance or successor legislation adopted by the LA City Council.

d. **“Election Meeting”** means a meeting of the Board at which Directors are to be elected.

e. **“Property Owner”** means the owner of any property, whether commercial, institutional, civic, ecumenical or residential, located in District who is current on the assessment payments relating to the BID for such property. **“Property Owner Director”** means any Director nominated by a contributing property owner and subsequently elected to serve as a Director by the Board who has paid at least \$300.00 per year in assessments to the Historic Lincoln Heights BID.

Section 2 Nominations. At least forty five (45) days before each Election Meeting, the President shall cause a notice to be delivered to each Property Owner or their designated representatives soliciting Director nominations. Each eligible property owner shall be entitled to submit one (1) nomination per Election Meeting.

b. Nominations must be received by the President no later than fourteen (14) days before the annual Election Meeting. Additional nominations may be submitted by the Board at an Election Meeting.

c. Directors shall be elected in accordance with Article V, Section 1 of these Bylaws.

d. Any notice required by this Section 2 may be delivered by U.S. mail, e-mail, fax or personal delivery.

Section 3: Additional Representatives. Each Director may appoint additional representatives who shall have the right to participate in Board discussions in an advisory and non-voting capacity.

ARTICLE V DIRECTORS

Section 1: Number and Qualifications and Terms.

a. *Authorized Number.* The authorized number of Directors of the Corporation shall not be less than five (5) nor more than twenty-five (25) until changed by amendment of the bylaws.. The exact number of Directors shall be fixed from time to time, within the limits specified in this Article V, Section 1, by the Board of Directors.

b. *Director Board Composition .*

(1) Any Property Owner shall be entitled to nominate one (1) nominee, in accordance with Article IV, Section 2, for the Board to consider electing as a Director at the annual Election Meeting.

(2) The authorized number of Directors, a minimum of two-thirds (2/3) shall be Property Owner Directors.

(3) All remaining Directors shall be referred to as “**Community Directors**”. Community Directors may be Business Tenants, or Community at Large Representatives, *provided* that at all times from and after the date the District is established at least one (1) Community Director should be a non-property owning Business Tenant.

c. *Term.* The term of office of each Director of the Corporation shall be two (2) years and until his or her successor has been elected and qualified. The Directors may be elected at any meeting of the Board. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until a successor has been elected and qualified. A Director may succeed himself or herself in office.

d. *No Limit on Term.* There shall be no limit to how many terms any individual may serve on the Board.

Section 2: Election Meeting and Powers. The nominated Directors shall be elected by majority vote of the currently seated Board members, based upon the provisions stated in Article V, Section 1 at the Annual Election meeting of the Board. Subject to the provisions of the Code, the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the day-to-day operation of the business of the Corporation to a management company, committee (however composed), or other person, *provided* that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 3: Compensation. Directors shall serve without compensation except that (1) they shall be allowed and paid their actual and necessary expenses incurred in attending Board meetings, and (2) they shall be allowed reasonable advancement or reimbursement of expenses incurred in the exercise of their powers as specified in Section 2 of this Article; in each case only after adoption of a written Board policy concerning this provision. Directors may not be compensated for rendering services to the Corporation in any capacity other than Director unless such other compensation is reasonable and is allowable under the provisions of Section 4 of this Article.

Section 2. Restriction Regarding Interested Directors. Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, “interested persons” means either:

- a. Any person currently being compensated by the Corporation for services rendered it within the previous twelve (12) months, whether as a full-or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- 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.

Section 3. Place of Meetings. Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Board or at such place within or without the State of California which has been designated from time to time by resolution of the Board. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so as long as all Directors participating in such meeting can hear one another.

Section 4. Regular and Annual Meetings. Regular meetings of Directors shall be held on a day specified by the Board. The annual meeting shall be held at a time and place as determined by the Board, however in no event shall the Board fail to hold an annual meeting at least once per year.

Section 5. Special Meetings. Special meetings of the Board may be called by the President, the Vice President, the Secretary, or by any four Directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation, consistent with the open meetings provision of the Ralph M. Brown Act.

Section 6. Notice of Meetings.

- a. Regular and annual meetings of the Board may be held consistent with the open meetings provision of the Ralph M. Brown Act..
- b. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, fax, or e-mail. Notice shall also be posted on the Corporation's web site. If sent by mail, fax or e-mail, the notice shall be deemed to be delivered on its deposit in the mail. Such notices shall be addressed to each director at his or her address as shown on the books of the Corporation. Notice shall be given of any adjourned regular or special meeting to directors Delivered personally or by telephone, fax or email. Notice shall also be posted on the Corporation's web site. If sent by fax or email, the notice shall be deemed to be delivered on its transmission,. As used herein, notice by telephone shall be deemed to include a voice messaging system or other system or technology designed to record and communicate messages to the recipient, including the recipient's designated voice mailbox or address on such a system. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after

the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

- c. Regular and annual meetings of the Board may be held consistent with the open meetings provision of the Ralph M. Brown Act..

Section 7. Contents of Notice. Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Board meeting needs to be posted in the notice.

Section 8. Action at a Meeting: Quorum and Required Vote.

- a. A quorum shall consist of a majority of the Board.
- b. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Articles of Incorporation, these Bylaws, or the Code.
- c. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting, subject to any applicable requirements for approval by a greater number or a disinterested majority.
- d. Directors may participate in a meeting through use of conference telephone or similar communications equipment, as long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this subsection (d) constitutes presence in person at such meeting

Section 9. Conduct of Meetings. Meetings of the Board shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the President of the Corporation or, in his or her absence, by the Vice President of the Corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board, *provided* that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

The Chairperson of the Board need not be a voting Board member and may serve in an honorary capacity. This non-voting member Chairperson may serve in the capacity of hired staff, the District Manager, or the Executive Director of the Corporation.

Section 10. Action by Written Consent Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if two-thirds of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be submitted by fax, mail or e-mail, and shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors. For purposes of this Section only, "all members of the Board" does not include any "interested Directors" as defined in Section 5233 of the Code.

Section 11. Vacancies.

- a. A vacancy in the Board shall be deemed to exist (1) on the death, resignation or removal of any Director, (2) whenever the number of authorized Directors is increased, (3) upon the declaration by the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Sections 5230 – 5238 of the Code dealing with standards of conduct for a Director, or has missed fifty percent (50%) of the meetings of the Board within a twelve (12) month period, or three consecutive meetings of the Board shall be subject to removal from the Board, or (4) whenever the Directors, at any meeting at which any Director or Directors are elected, have failed to elect the full authorized number of Directors to be voted for at that meeting.
- b. The Board, by affirmative vote of at least two-thirds (2/3) of the Directors then in office, may remove any Director without cause at any regular or special meeting; *provided* that the Director to be removed has been notified in writing in the manner set forth in Section 8 above that such action would be considered at the meeting.
- c. Any Director may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.
- d. Vacancies on the Board may be filled by a majority of the Directors present at a meeting at which a quorum is present, or if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Section, or (3) a sole remaining Director; *provided, however*, that any vacancy caused by the resignation or removal of a Property Owner

Director shall be filled by the Property Owner that originally appointed such Property Owner Director or the successor in ownership to such Property Owner the requirements of Section 1(c)(1) of Article V.

- e. A person elected to fill a vacancy as provided by this Section 13 shall hold office until his or her term has expired or until the next annual election of the Board or until his or her death, resignation or removal from office.
- f. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

Section 12. Indemnification of Directors, Officers, Employees, and Other Agents of the Corporation; Purchase of Liability Insurance.

- a. For the purposes of this Section 14, "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 foreign or domestic Corporation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor Corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" include without limitation attorneys' fees and any expenses of establishing a right to indemnification under paragraph (d) or paragraph (e)(2) of this Section 14.
- b. The Corporation shall 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 Code, or an action brought by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is 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 reasonably 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 or 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 person's conduct was unlawful.

- c. The Corporation shall 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 to procure a judgment in its favor, or brought under Section 5233 of the Code, or brought by the Attorney General for breach of duty relating to assets held in charitable trust, 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 if such person 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 paragraph (c):
 - (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;
 - (2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
 - (3) Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.
- d. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in paragraph (b) or (c) or in defense of any claim, issue, or matter in the proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the proceeding.
- e. Except as provided in paragraph (d), any indemnification under this Section 14 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 has met the applicable standard of conduct set forth in paragraph (b) or (c), by:
 - (1) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or
 - (2) The court in which such proceeding is or was pending upon application made by the Corporation, the agent, or 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.

a. Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such 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 Section 14.

b. Nothing contained in this Section 14 shall affect any right to indemnification to which persons other than Directors and officers of the Corporation or any subsidiary of the Corporation may be entitled by contract or otherwise.

c. No indemnification or advance shall be made under this Section 14, except as provided in paragraph (d) or paragraph (e)(2), in any circumstance where it appears.

(1) That it would be inconsistent with a provision of the Articles of Incorporation, a resolution of the Board, or an agreement in effect at the time of the 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

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

d. Upon and in the event of a determination by the Board of the Corporation to purchase indemnity insurance, the Corporation shall 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 agent'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 Section 14; *provided, however*, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the Code.

e. This Section 14 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in paragraph (a). The Corporation shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the Code.

ARTICLE VI

OFFICERS

Section 1. Number of Officers. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Chief Financial Officer who shall be designated the Treasurer. The Corporation may also have, as determined by the Board, a Chairperson of the Board, Vice Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve simultaneously as the President or Chairperson of the Board.

The Board may also authorize its Executive Director or District Manager to serve in the capacity of the Chairperson of the Board. If the Chairperson is paid staff of the Board, that position shall have an honorary status, meaning that the Chairperson functions to Chair the Board of Directors meetings, however will not be a member of the Board and does not retain the right to vote on any matters coming before the Board of Directors.

Section 2. Qualification, Election, and Term of Office. Any Board member may serve as officer of the Corporation. Officers shall be elected by the Board, at any time, and each officer shall hold office for up to one year per term. There shall be no term limits for elected officers of the Board.

Section 3. Subordinate Officers. The Board may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board.

Section 4. Removal and Resignation. Any officer may be removed, either with or without cause, by the Board, at any time. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board relating to the employment of any officer of the Corporation.

Section 5. Vacancies. Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 6. Duties of President. The President shall be the chief executive officer of the Corporation and shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these

Bylaws, or which may be prescribed from time to time by the Board. Unless another person is specifically appointed as Chairperson of the Board, he or she shall preside at all meetings of the Board. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board.

Section 7. Duties of Vice President. In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board.

Section 8. Duties of Secretary. The Secretary shall:

- a. Certify and keep at the principal office of the Corporation the original, or a copy of these Bylaws as amended or otherwise altered to date.
- b. Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Directors, and, if applicable, meetings of committees of Directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d. Be custodian of the records and, if the Corporation has a seal, of the seal of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by law or these Bylaws.
- e. In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

Section 9. Duties of Treasurer. Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

- a. Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board.

- b. Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever. Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board, taking proper vouchers for such disbursements.
- c. Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- d. Render to the President and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation.
- e. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- f. In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

ARTICLE VII

COMMITTEES

Section 1: Executive/Organization Committee. The Board may, by a majority vote of Directors, designate two (2) or more of its members (who may also be serving as officers of the Corporation) to constitute an Executive/Organization Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- a. The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the members or of a majority of all of the members.
- b. The filling of vacancies on the Board or on any committee which has the authority of the Board.
- c. The amendment or repeal of Bylaws or the adoption of new Bylaws.
- d. The amendment or repeal or any resolution of the Board which by its express terms is not so amendable or repealable.
- e. The appointment of committees of the Board or the members thereof.

- f. The approval of any transaction between the Corporation and one or more of its Directors in which the Director or Directors have a material financial interest, except as provided by Section 5233 of the Code.

The powers and authority delegated to the Executive/Organization Committee shall include the authority to designate a person or persons as authorized to speak publicly on behalf of the Board.

By a majority vote of the Directors then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of members of a Committee, and fill vacancies therein from the members of the Board. The Committee may keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 2: Other Committees and Task Forces. The Corporation shall have such other committees and task forces as may from time to time be designated by resolution of the Board. Such other committees and task forces may consist of persons who are not members of the Board. The Board shall elect the Chair(s) of such committees and task forces. These additional committees and task forces *shall act in an advisory capacity only to the Board* and shall be clearly titled as “advisory” committees.

Section 3: Meetings and Action of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Sections 5 through 12 of Article V above, concerning meetings and actions of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

Section 4: Audit Committee. If the Corporation (i) is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and (ii) receives or accrues in any fiscal year gross revenue of two million dollars (\$2,000,000) or more, exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received, the Corporation shall do the following:

- a. The Board may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, designate an Audit Committee. The Audit Committee may include persons who are not members of the Board, but the member or members of the Audit Committee shall not include any members

of the staff, including the President or Chief Executive Officer and the Chief Financial Officer. If the Corporation has a Finance Committee, it must be separate from the Audit Committee. Members of the Finance Committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the Finance Committee and members of the Finance Committee shall constitute less than one-half of the membership of the Audit Committee.

- b. Members of the Audit Committee shall not receive any compensation from the Corporation in excess of the compensation, if any, received by members of the Board for service on the Board and shall not have a material financial interest in any entity doing business with the Corporation. Subject to the supervision of the Board, the Audit Committee shall be responsible for recommending to the Board the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the Board. The Audit Committee shall confer with the auditor to satisfy its members that the financial affairs of the Corporation are in order, shall review and determine whether to accept the audit, shall assure that any non-audit services performed by the auditing firm conform with standards for auditor independence referred to in Section 12586(e)(1) of the California Government Code, and shall approve performance of non-audit services by the auditing firm. If the Corporation is under the control of another Corporation, the Audit Committee may be part of the Board of the controlling Corporation.

ARTICLE VIII

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 1. Execution of Instruments. The Board, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Checks and Notes. Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President of the Corporation, or by two other officers of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited as soon as reasonably possible, to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select

**ARTICLE IX
CORPORATE RECORDS, REPORTS AND SEAL**

Section 1: Maintenance of Corporate Records. The Corporation shall keep at its principal office in the State of California:

- a. Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- c. A copy of the Corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by any Property Owner or Business Tenant at all reasonable times during office hours.

Section 2: Corporate Seal. The Board may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3: Directors' Inspection Rights. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

Section 4: Right to Copy and Make Extracts. Any inspection under the provisions of Section 3 of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

Section 5: Annual Report. The Board may cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year to all Directors of the Corporation, which report shall contain the following information in appropriate 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 assets and liabilities, including trust funds, during the fiscal.
- 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.
- e. Any information required by Section 6322 of the Code.

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

Section 6: Audited Financial Statements. If the Corporation (i) is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and (ii) receives or accrues in any fiscal year gross revenue of two million dollars (\$2,000,000) or more, exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received, the Corporation shall do the following:

- a. Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant in conformity with generally accepted auditing standards. For any non-audit services performed by the firm conducting the audit, the firm and its individual auditors shall adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the Yellow Book) and any standards prescribed by the California Attorney General for auditor independence in the performance of non-audit services, including standards different from those set forth in the Yellow Book. If the Corporation is under the control of another organization, the controlling organization may prepare a consolidated financial statement. The audited financial statements shall be available for inspection by the California Attorney General and by members of the public no later than nine months after the close of the fiscal year to which the statements relate. If the Corporation is a charity, it shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of Section 6104(d) of the Internal Revenue Code and associated regulations.
- b. If the Corporation is required to file reports with the California Attorney General pursuant to Section 12586 of the California Government Code and, independent of the audit requirement set forth in Section 12586(e)(1) of the California Government Code, it prepares financial statements that are audited by a certified public accountant, the audited financial statements shall be available for inspection by the California Attorney General and shall be made available to members of the public in conformity with Section 12586(e)(1) of the California Government Code.

ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall begin on January 1st and ends on December 31st in each year.

ARTICLE XI

AMENDMENT OF BYLAWS

New bylaws may be adopted or these Bylaws may be amended or repealed by the Board.

ARTICLE XII

STANDARD OF CARE

Section 1: A Director shall perform the duties of a Director, including duties as a member of any Board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. 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:

- (a) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;
- (b) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) a Board committee upon which the Director does not serve, as to matters within its designated authority, *provided* that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article XIII below, a person who performs the duties of a Director in accordance with this Article XII shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated

ARTICLE XIII

PROHIBITED TRANSACTIONS

Section 1: Loans.

Except as permitted by Section 5236 of the Code, the Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer; *provided, however,* that the Corporation may advance money to a Director or officer of the Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2: Self-Dealing Transactions.

Except as provided in Section 3, below, the Board shall not approve or permit the Corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction is described in Section 5233(b) of the Code.

Section 3: Approval.

This Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This Corporation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) the Corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to the Corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the Director or Directors in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director or Directors.

ARTICLE XIV

CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Code as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

ARTICLE XV

CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. DEFINITIONS

(a) Interested Person. Any Director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

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

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

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 Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES

(a) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

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

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons 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 governing 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 alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. COMPENSATION APPROVAL POLICIES

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting 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 member's compensation.

No voting member of the governing board or any committee 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.

When approving compensation for Directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

(a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

(b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

1. is not the person who is the subject of compensation arrangement, or a family member of such person;
2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
4. has no material financial interest affected by the compensation arrangement; and
5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.

(c) the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved
2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained.
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

SECTION 6. STATEMENTS

Each Director, principal officer, and member of a committee with governing board-delegated powers shall sign a statement upon election that affirms such person:

- (a) has received a copy of the conflicts of interest 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 which accomplish one or more of its tax-exempt purposes.

SECTION 7. PERIODIC REVIEWS

To ensure 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.
- (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.

SECTION 8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the currently elected and acting Secretary of Historic Lincoln Heights Industrial Zone Economic Revitalization Corporation, a California nonprofit corporation, and the above Bylaws, consisting of 27 pages, are the Bylaws of the Corporation as adopted at a meeting of the Board held on September 29th, 2011.

Dated: September 29th, 2011

Executed at: Los Angeles California

Hank Shaeffer, Secretary