

**BYLAWS OF
SAN FRANCISCO COUNCIL OF DISTRICT MERCHANTS ASSOCIATIONS**

ARTICLE I. PURPOSE

Subject to the limitations stated in the Articles of Incorporation, the purposes of this corporation shall be to engage in any lawful activities, none of which are for profit, for which corporations may be organized under the California income taxation under section 23701e of the California Revenue and Taxation Code and Section 501(c)(6) of the Internal Revenue Code (or its corresponding future provisions).

The Council's purpose is to promote, protect and serve the small business community and to preserve the vitality and integrity of Commercial Districts of San Francisco.

ARTICLE II. MEMBERS

Section 1. Classes and Voting. There shall be three classes of members of this corporation: District Associations, Provisional Members and Affiliate Associations.

- A. District Associations:** Merchant Associations of the Commercial Districts in the City and County of San Francisco who pay dues to the SFCDMA. Merchant Associations shall provide documentation attesting their existence as an organization that represents merchant interests that aligns with the Vision and Mission of SFCDMA. Documentation includes proof of 501c6 or 501c3 or other type of nonprofit or community organization and Bylaws. District Associations shall select one of their own members in good standing to vote to elect Directors. District Associations can send more than one representative to attend open membership meetings.
- B. Provisional Members:** Organizations anticipating starting a Merchant Association in a 24-month period. Provisional Members shall provide documentation attesting their existence as a forming organization that represents merchant interests that aligns with the Vision and Mission of SFCDMA. Provisional Members can send more than one representative to attend open membership meetings. Provisional Members are not entitled to vote.
- C. Affiliate Associations:** Associations or Organization representing like or kind businesses located in the City and County of San Francisco who pay dues. Affiliate Associations can send more than one representative to attend open membership meetings. Affiliate Associations are not entitled to vote.

Section 2. District Associations, Provisional Members and Geographical Areas. The City and County of San Francisco shall be divided into geographical areas consistent with the boundaries of each District Association. Each District Association's boundaries shall conform to these geographical divisions and one District Association's boundaries may not overlap that of another District Association, unless at the discretion of the existing member.

Section 3. Qualifications. An organization shall become a member of the corporation by following the policies outlined in the Bylaws.

Section 4. Member in Good Standing. A member in good standing is current on the annual dues and is not in default in respect of any payment. Members who do not pay their dues within 60-days of receipt of annual dues notices shall be considered delinquent. District Association members who are in arrears shall lose the designation of member in good standing. Reinstatement of designation of member in good standing may be made by paying the current annual dues plus a reinstatement fee. Annual dues and reinstatement fees are set by the Board of Directors. Only members in good standing shall be entitled to vote on all matters for which a membership vote is permitted by laws, the Articles of Incorporation, or the

Bylaws of this corporation.

Section 5. Termination of Membership. Membership may be terminated by the Board of Directors by a super majority vote of two-thirds of the entire Board of Directors after giving the member at least fifteen days written notice by first class or electronic mail of the termination and the reasons for the termination, and an opportunity for the member to be heard by the Board, orally or in writing, not less than five days before the effective date of the termination. The decision of the Board shall be final and shall not be reviewable by any court.

Section 6. Annual and Regular Meetings. The annual and regular meetings of the members shall be held on a date set by the Board of Directors.

Section 7. Special Meetings. Special meetings of the members shall be held at the call of the Board of Directors, or by the call of the holders of at least twenty-five percent of the voting power of the corporation by a demand signed, dated, and delivered to the corporation's Secretary. Such demand by the members shall describe the purpose for the meeting.

Section 8. Notice of Meeting. Notice of all meetings of the members shall be given to each member at the last address of record, by first class or electronic mail at least 3-days before the meeting, or by means other than first class mail at least 30 days but not more than 60 days before the meeting. The notice shall include the date, time, place, and purposes of the meeting.

Section 9. Quorum and Voting. Those votes represented at a meeting of members shall constitute a quorum. A majority vote of the members represented and voting is the act of the members, unless these Bylaws or the law provide differently.

Section 10. Action by Consent. Any action required or permitted by law to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all the members.

ARTICLE III. BOARD OF DIRECTORS

- Section 1. Duties.** The affairs of the corporation shall be managed by the Board of Directors. **Section 2. Number.** This corporation will have a minimum of 9 and a maximum of 13 Directors.

Section 3. Term and Election. The term of office for Directors is three years. One third of the Board members shall be elected every year. Each elected Director who has served a three-year term is eligible for another three-year term if elected. The Board shall be elected by the majority of the members present and entitled to vote at the annual membership meeting. Candidates must be a member of a District Association in good standing with CDMA. District Association members can nominate candidates from the floor.

Section 4. Removal. Any Director may be removed, with or without cause, at a meeting called for that purpose, by a vote of a majority of the members entitled to vote at an election of Directors.

Section 5. Vacancies. Vacancies on the Board of Directors and newly created Board positions shall be filled by a majority vote of the Directors then on the Board of Directors.

Section 6. Quorum and Action. A quorum at a Board meeting shall be a majority (50% + 1) of

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the number of Directors in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of Directors present. Where the law requires a majority vote of Directors in office to establish committees that exercise Board functions, to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, to dissolve, or for other major decisions, such action must be taken by a minimum of 5 votes.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. No other notice of the date, time, place, or purpose of these meetings is required, except as otherwise provided in these Bylaws.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. Notice of such meetings, describing the date, time, place, and purpose of the meeting, shall be delivered to each Director personally or by telephone or by mail not less than 3-days prior to the special meeting. Written notice, if mailed postpaid and correctly addressed to the Director at the address shown in the corporate records, is effective when mailed.

Section 9. Meeting by Telecommunication or Computer. Any regular or special meeting of the Board of Directors may be held by telephone, telecommunications or electronic means, as long as all Directors can hear or read each other's communications during the meeting or all communications during the meeting are immediately transmitted to each participating Director, and each participating Director is able to immediately send messages to all other participating Directors. All participating Directors shall be informed that a meeting is taking place at which official business may be transacted.

Section 10. Action by Consent. Any action required or permitted by law to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all the Directors. A written communication includes a communication that is transmitted or received by electronic means. Signing includes an electronic signature that is executed or adopted by a Director with the intent to sign. Consent by email is considered written consent if the Director intended to sign it.

Section 11. Conflicts of Interest. Each Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner that is free of conflicts of interest, and as such Director believes is in the best interests of the Corporation. Each Director shall comply with the Conflicts of Interest Policy adopted by the Board.

Section 12. Compensation. Directors and Officers shall receive no compensation for their service as Directors or Officers.

ARTICLE IV. COMMITTEES

Section 1. Executive Committee. The Executive Committee will be composed of the Officers of the Board and one Board member elected by the Board. The Executive Committee shall have the authority to make on-going decisions between Board meetings and shall have the authority to make financial and budgetary decisions consistent with the fiscal policies of the organization.

Section 2. Legislative Committee. The Legislative Committee shall consist of between three and five

Directors, including the Board President, the CEO (when hired), and such other members of CDMA with relevant expertise. The Legislative Committee shall review and recommend positions on all pertinent legislation, maintain open communication with all governmental agencies and groups impacting members, recommend positions to the whole of the Board for approval, and bring forward proactive positions to the

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whole of the membership for input.

Section 3. Other Committees. The Board of Directors may establish such other committees as it deems necessary and desirable. Such committees may exercise the authority of the Board of Directors or may be advisory committees.

Section 4. Composition of Committees Exercising Board Authority. Any committee that exercises any authority of the Board of Directors shall be composed of two or more Directors, elected by the Board of Directors by a majority vote of the number of Directors in office at that time.

Section 5. Quorum and Action. A quorum at a Committee meeting exercising Board authority shall be a majority of all Committee members in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of the Directors present.

Section 6. Limitations on the Powers of Committees. Committees may not authorize payment of any part of the income or profit of the corporation to its Directors or officers; may not approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets; may not elect, appoint, or remove Directors or fill vacancies on the Board or on any of its committees; and may not adopt, amend, or repeal the Articles, Bylaws, or any resolution by the Board of Directors.

ARTICLE V. OFFICERS

Section 1. Titles and Qualifications. The officers of this corporation shall be the President, Vice President, Secretary, and Treasurer. All officers of this corporation must be members of the Board of Directors.

Section 2. Election. The Board of Directors shall elect the officers to serve one year terms.

Section 3. Vacancy. A vacancy in any office shall be filled not later than the first regular meeting of the Board of Directors following the vacancy.

Section 4. Other Officers. The Board of Directors may elect or appoint other officers, agents and employees as it shall deem necessary and desirable. They shall hold their offices for such terms and have such authority and perform such duties as shall be determined by the Board of Directors.

Section 5. President. The President shall be the chief executive officer of the corporation and shall act as the Chair of the Board. The President shall have any other powers and duties as may be prescribed by the Board of Directors. The President in office may be re-elected one time and may serve up to two consecutive terms.

Section 6. Vice President. The Vice-President shall be a director of the Corporation and will preside at meetings of the Board of Directors in the absence of, or request of the President. The Vice-President shall perform other duties as requested and assigned by the President, subject to the control of the Board of Directors. The Vice President in office may be re-elected one time and may serve up to two consecutive

terms.

Section 7. Secretary. The Secretary shall have overall responsibility for recordkeeping. The Secretary shall perform, or cause to be performed, the following duties: (a) official recordkeeping of the minutes of all proceedings of the Board of Directors and members' meetings and actions; (b) circulating meeting minutes to the entire membership; (c) provision for notice of all meetings of the Board of Directors and members; (d) authentication of the records of the corporation; (e) maintenance of current and accurate

membership lists; and (f) any other duties as may be prescribed by the Board of Directors. There are no limits on consecutive terms served by the Secretary except those limits on Directors stated in Article III, Section 3 of these Bylaws.

Section 8. Treasurer. The Treasurer shall have the overall responsibility for all corporate funds. The Treasurer shall perform, or cause to be performed, the following duties: (a) maintenance of full and accurate accounts of all financial records of the corporation; (b) deposit of all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors; (c) disbursement of all funds when proper to do so; (d) presentation of financial reports as to the financial condition of the corporation to the Board of Directors; and (e) any other duties as may be prescribed by the Board of Directors. There are no limits on consecutive terms served by the Treasurer except those limits on Directors stated in Article III, Section 3 of these Bylaws.

ARTICLE VI. CORPORATE INDEMNITY AND INSURANCE

This corporation will indemnify to the fullest extent not prohibited by law any person who is made, or threatened to be made, a party to an action, suit, or other proceeding, by reason of the fact that the person is or was a Director, officer, employee, volunteer, or agent of the corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 (or its corresponding future provisions) with respect to any employee benefit plan of the corporation. No amendment to this Article that limits the corporation's obligation to indemnify any person shall have any effect on such obligation for any act or omission that occurs prior to the later of the effective date of the amendment or the date notice of the amendment is given to the person. The corporation shall interpret this indemnification provision to extend to all persons covered by its provisions the most liberal possible indemnification—substantively, procedurally, and otherwise.

In addition to the foregoing, the Board of Directors shall purchase and maintain Director's and Officer's Liability insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the Director and incurred by the Director in any such capacity, or arising out of their status as such, whether or not the Corporation would have the power to indemnify the Director against such liability.

ARTICLE VII. FIDUCIARY RESPONSIBILITY

The Board of Directors shall assume and discharge fiduciary responsibility with respect to all funds and other assets held or administered by this Corporation, subject to the delegation of duties to the Treasurer and Finance Committee as set forth in the Fiscal Policy adopted by the Board, as amended from time to time.

Section 1. No Self-Dealing. The Board of Directors shall not engage in any conduct or act which would constitute "self-dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986, as

now enacted or as hereafter amended.

ARTICLE VIII. CORPORATE RECORDS AND REPORTS

The corporation shall maintain its records and reports in accordance with state law and as set forth in the Document and Record Retention and Destruction Policy.

ARTICLE IX. DISSOLUTION

Upon dissolution of this organization, any assets remaining shall be distributed to the membership or one or more qualified nonprofit corporations or foundations which have substantially similar goals and objectives as selected by the Board of Directors.

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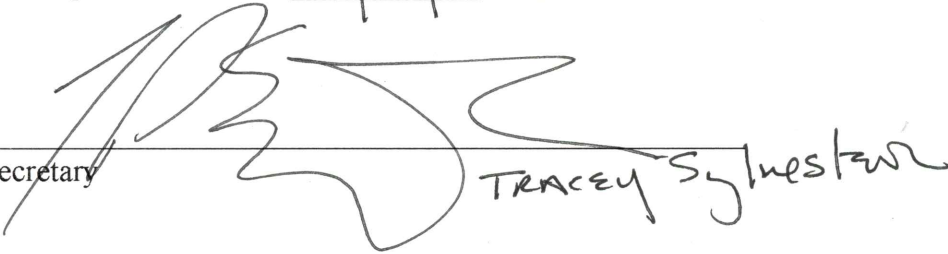
ARTICLE X. AMENDMENTS TO BYLAWS

The Board of Directors may amend, repeal or adopt new Bylaws as voted on by a 60% vote of members present at a duly called membership meeting. Prior to the adoption of the amendment, each member shall be given at least thirty days' notice of the date, time, and place of the meeting at which the proposed amendment is to be considered, and the notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and shall contain a copy of the proposed amendment.

CERTIFICATE OF SECRETARY

The undersigned certifies that they are the Secretary of SFCDMA and that the foregoing Bylaws of the Corporation, comprised of 5 pages, including this certificate, were duly adopted, at the duly called meeting of the Corporation held on 11/21/2023

Secretary


TRACEY Sylvestre