

# **Bylaws of the Folsom Historic District Association A California Nonprofit Corporation**

## **ARTICLE 1**

### **Name and Principal Office of Corporation**

**Section 1. Name.** The name of this corporation shall be the Folsom Historic District Association (hereinafter referred to as the “Association”). The principal offices shall be determined from time to time by the Board of Directors of the Association.

## **ARTICLE 2**

### **Purpose; Limitations; Assets**

**Section 1. Purpose.** The purposes for which this corporation is organized are

- a) To preserve, protect, and enhance the Folsom Historic District and its historic and natural assets;
- b) To educate others about the preservation, protection and revitalization of the Folsom Historic District community;
- c) To establish the Folsom Historic District as a destination for visitors and residents alike;
- d) To provide a clean and safe working and living environment with high quality and high service social and recreational opportunities;
- e) To promote and enable a healthy and productive economic climate within the Folsom Historic District; and
- f) To contribute to the overall welfare of the City of Folsom, California.

**Section 2. Limitations.** It is the intent of the Association to qualify as a nonprofit, tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended. In order to effectuate such intent, no part of the net earnings of the Association shall inure to the benefit of any of its members or any other individual; and the Association shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

**Section 3. Assets** Upon dissolution of the corporation, the residual assets of the corporation shall be distributed to a private, nonprofit corporation which is an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future law, selection of which corporation may be made by a majority vote of the Board prior to dissolution.

## **ARTICLE 3**

### **Geographic Area**

**Section 1. Geographic Area.** The Folsom Historic District Association area shall be that boundary of the Property Business Improvement District (PBID), as indicated on the attached map. [Exhibit A]

## **ARTICLE 4**

**Bylaws amended and approved Oct 12 2016**

## **Membership**

**Section 1. Member Defined.** Any reputable business, organization, association, or individual interested in supporting the purposes of the Association shall be eligible to apply for membership.

**Section 2. Member Application.** Applications for membership shall be in writing, on such form as the Board of Directors shall prescribe, and signed by the applicant. The Board of Directors shall review and approve all applications; however, the Board may appoint a designee or designees to review applications and make recommendations regarding membership approval to the Board for its consideration. Any applicant so approved shall become a member upon payment of the regularly scheduled dues as the Board of Directors may establish. Each member, except for Associate members, shall be entitled to one vote.

**Section 3. Member Class.** The classes of members of the Association shall be as follows:

- a) Business or property owner members (to be eligible for this member class, the business or property owned must be within the Folsom Historic District Sutter Street sub-area),
- b) Associate members (nonprofit entities, residents, individuals),
- c) Sponsoring members (corporate or institutional entities); and
- d) Life members (defined as members in good standing for at least twenty (20) consecutive years of either the Sutter Streets Merchants' Association or the Folsom Historic District Association, or some combination thereof).
- e) Honorary Associate members (distinction in public affairs)

**Section 4. Member Dues.** The Board of Directors shall establish annual dues as it deems appropriate. Such establishment of dues shall include method of payment and application procedure.

**Section 5. Voting.** Associate memberships shall have all the privileges of members, except the right to vote. The Board of Directors shall confer or revoke Associate membership by a majority vote.

**Section 6. Resignation of Member.** Any member may resign from membership in the Association upon giving written notice thereof to the Secretary of the Association. Such resignation shall specify the effective date thereof. Members who resign from membership shall not be entitled to any refund of dues previously paid.

**Section 7. Suspension and Expulsion of Member.** The Board of Directors may, at its discretion, suspend the voting privilege of any member who has been and remains in default of his or her financial obligations to the Association for a period of sixty (60) days or longer.

Any member shall be expelled for nonpayment of dues after ninety (90) days from the date due, unless the Board of Directors by a two-thirds (2/3) vote extends the time for payment.

Any member may be expelled by a two-thirds (2/3) vote of the Board of Directors after notice and opportunity for a hearing before the Board of Directors. The basis for expulsion shall include, but not be limited to, conduct unbecoming a member, conduct deemed prejudicial or inconsistent with the Association's purposes or reputation, or conduct which demonstrates that the member no longer supports the Association's purposes.

**Section 8. Assets.** Members, officers, and/or directors may not receive any of the gains or profits of the Association. Should the Association be dissolved, all assets must be donated to charity.

## ARTICLE 5

### Membership Meetings

**Section 1. Annual Meeting.** An annual meeting of the membership shall be held in November of each calendar year at such time and place as may be determined by the Board of Directors for the purpose of electing officers and directors and transacting such other business as may be properly brought before the meeting.

**Section 2. Special Meetings.** Special meetings of the membership shall be held at any time and place as may be designated in the notice of said meeting, upon call of the President or the Board of Directors either at their own request or upon written petition by at least five percent (5%) active voting members.

**Section 3. Notice.** Written notice of every meeting of the membership, stating the place, date, and hour of the meeting, shall be given either personally or by mail to each member not less than fifteen (15) nor more than fifty (50) days before the date of the meeting. If mailed, such notice shall be deemed delivered when deposited with the United States Postal Service with postage prepaid and addressed to the members at their addresses as they appear on the Association's record of membership. Attendance of a member at a membership meeting shall constitute a waiver of notice of such meeting or the manner in which it has been called or convened, except when a member attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection to the transaction of any business. Other interested parties shall be given such notice of meetings as the Board of Directors shall deem appropriate.

The agenda, including a brief description of issues to be considered, must be posted in a location freely accessible to the public at least seventy-two (72) hours before the meeting.

**Section 4. Quorum.** Fifteen percent (15%) of the active members, present in person, shall constitute a quorum for the transaction of business at all meetings of the membership, except as otherwise provided by statute, by Articles of Incorporation, or by these Bylaws. If a quorum is not present or represented at any meeting of the membership, a majority of the members present and entitled to vote at the meeting may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented.

If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each member.

**Section 5. Voting.** When a quorum is present or represented by proxy at any meeting, the vote of a majority of the active members present in person or represented by proxy shall decide any questions brought before such meetings, unless the Articles of Incorporation or these Bylaws require a different vote, in which case such express provisions shall govern and control the decision.

**Section 6. Procedural Rules.** Roberts Rules of Order Newly Revised shall govern the parliamentary procedures of the Association when not in conflict with these Bylaws. The order of business may be altered or suspended at any meeting by a majority vote of the active members present.

**Section 7. Brown Act.** Notwithstanding the forgoing, all meetings, or portions of meetings that deal with the operations and activities of FHDA shall comply with the Ralph M. Brown Act section 54950 et seq of the California Government Code.

## ARTICLE 6

### Board of Directors

**Section 1. Board Defined.** The Association shall be governed by a Board of eleven (11) Directors.

- a) Eight (8) Directors will be elected. Four (4) of these Directors will be elected each year to serve ~~two~~-year terms, and four (4) Directors will be elected to serve two-year terms in the alternating years.

Each Director must be a non-residential property owner and/or a business owner holding a valid City of Folsom Historic District business license, either of whom must be located within the Geographic Area, as defined in Article 3, Section 1.

If designated in writing by a qualifying property or business owner and approved by the Board, an employee or non-employee representative may be nominated, elected or appointed to serve in the place of the qualifying property and/or business owner as a Director.

- b) One (1) Director shall be the immediate past president of the Board.
- c) One (1) Director shall be the member of the Folsom Historic District Commission appointed as the Business Owner within the Geographic Area, as defined in Article 3, Section 1.
- d) One (1) Director shall be a representative of the City of Folsom – either the City Manager or a representative appointed by the City Manager.

**Section 2. Board Requirements.** A majority of the Directors must own commercial property in the Geographic Area as defined in Article 3, Section 1

All new members of the Board of Directors shall participate in an orientation program familiarizing them with the goals and objectives of the Association and with their responsibilities.

**Section 3. Election.** The Directors shall be elected at each annual meeting of the members.

**Section 4. Nomination Committee.** The President, with concurrence of the Board of Directors, shall appoint a Nomination Committee consisting of not less than two members. No member of the Nomination Committee shall be permitted to run for an office in the Association while serving on the nominating committee. The Nomination Committee shall review the applications of all persons interested in serving as a Director. The Nomination Committee shall nominate a slate and notify all applicants of the nominees to the slate at least thirty (30) days prior to the election.

**Section 5. Candidates Not Recommended by Nomination Committee.** Any candidate who submitted an application and participated in the application process conducted by the Nomination Committee, but who was not nominated by the Nomination Committee, may be included on the ballot by submitting a written request to the President of the Association at least thirty (30) days prior to the date of the annual election. All such candidates not nominated by the Nomination Committee shall be listed on the final ballot in alphabetical order; and the Secretary shall mail the final ballot, consisting of nominees submitted by the Nomination Committee and those who have submitted a written request, to members at least fifteen (15) days before the date of the election.

**Section 6. Terms.** Each Director shall hold office for the term for which he or she is elected or appointed and until his or her successor shall have been elected or appointed and qualified. Directors in office may be reelected or reappointed, except that the Immediate Past President's term as a member of the Board of Directors shall commence at the normal termination date of his or her term as President and shall continue to the next annual meeting of the membership thereafter.

**Section 7. Vacancies Filled by the Board.** Any vacancy occurring in the Board of Directors (other than a vacancy resulting from the normal expiration of a term of office) may be filled by the affirmative vote of a majority of the current members of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any Director may resign by submitting written notice of resignation to the Secretary. Any Director may be removed from office at any time with or without cause by the affirmative vote of two-thirds of the Directors in office. Any member of the Board of Directors who is absent from two consecutive regular meetings without just cause for such absence may be removed as a member of the Board of Directors.

**Section 8. Temporary Absence or Disability.** In case of the temporary absence or disability of any officer of the Association or of any person authorized to act in his or her place during such period of temporary absence or disability, the Board of Directors may delegate the powers and duties of such officer to any other officer or any other Board member.

**Section 9. Regular and Special Meetings.** The Board of Directors of the Association may hold regular and special meetings. Regular meetings shall be held not less than six (6) times each year. Special meetings of the Board may be called by the President or by the Executive Committee or by four or more Directors. Written notice of the time, place and agenda for both regular and special meetings shall be given to each Director either by personal delivery or by mail, phone, E-mail, or fax at least five (5) days before the meeting.

**Section 10. Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

**Section 11. Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

**Section 12. Quorum.** At all meetings of the Board, a majority of the voting members thereof shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board, the Directors present may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present.

**Section 13. Brown Act.** Notwithstanding the forgoing, all meetings, or portions of meetings that deal with the operations and activities of FHDA shall comply with the Ralph M. Brown Act section 54950 et seq of the California Government Code. The agenda, including a brief description of issues to be considered, must be posted in a location freely accessible to the public at least seventy-two (72) hours before the meeting.

## ARTICLE 7

Bylaws amended and approved Oct 12 2016

## Committees

**Section 1. Standing Committees.** The Association shall have at least one (1) standing committee, which shall be entitled Nomination. The Nomination Committee shall consist of not less than two (2) members. The chair of the Nomination Committee shall be responsible for directing and coordinating the affairs of the committee. The terms of the committee chairs shall be for two years commencing at the time of the annual membership meeting.

**Section 2. Ad Hoc Committees.** The Board of Directors, by resolution adopted by a majority of the Directors, may designate or appoint one or more committees in addition to the above-named standing committees including, without limitation, an Executive Committee composed of the five officers, which shall, to the extent provided in said resolution, have and exercise the authority of the Board of Directors in the management of the Association. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated and appointed by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. The designation and appointment of any such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon them by law.

**Section 3. Brown Act.** Notwithstanding the forgoing, all meetings, or portions of meetings of Standing Committees that deal with the operations and activities of FHDA shall comply with the Ralph M. Brown Act, section 54950 et seq of the California Government Code. The agenda, including a brief description of issues to be considered, must be posted in a location freely accessible to the public at least seventy-two (72) hours before the meeting.

## ARTICLE 8

### Officers

**Section 1. Officers Defined.** The officers of the Association, except the Immediate Past President, shall be elected annually by the membership and shall consist of a President, a Vice President, a Secretary, a Chief Financial Officer, and the Immediate Past President.

**Section 2. Election of Officers.** Officers shall be elected at the first board meeting following the annual meeting of membership. The person then serving as President shall automatically become Immediate Past President upon election of a new President. All officers shall be elected by a majority of the board members present.

**Section 3. Duties.** Except as hereinafter provided, the officers of the Association shall have such powers and duties as generally pertain to their respective offices, as well as those that from time to time may be conferred by the membership or the Board of Directors.

- a) *President.* The President shall preside at all business meetings, but may at his or her discretion, or at the suggestion of the Directors, arrange for another officer to preside at other meetings. The President shall perform such duties as are usually incumbent upon that officer and such duties as may be directed by resolution of the Board of Directors.

- b) *Vice President.* The Vice President shall have such duties and responsibilities as the President or Board of Directors may from time to time prescribe.
- c) *Secretary.* The Secretary shall record and maintain in good order the Minutes of all meetings and all records and correspondence of the Association. The Secretary shall make the Minutes of each membership meeting available for review in the Association office and post them on the members-only portion of the Association's website within sixty (60) days from the conclusion of each meeting. The Secretary shall also have such other duties as may be assigned by the membership or the Board of Directors.
- d) *Chief Financial Officer.* The Chief Financial Officer shall maintain in good order all financial records of the Association. The Chief Financial Officer shall also have such other duties as may be assigned by the membership or the Board of Directors.
- e) *Immediate Past President.* The Immediate Past President shall serve as an ex officio member of the Board of Directors and shall act in an advisory capacity to the President and Board of Directors.

**Section 4. Contracts With Directors and Officers.** No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) 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 the Board's consideration of such contract or transaction; (b) 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 votes of the interested directors; (c) 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 (d) 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.

This section does not apply to a transaction that is part of a educational, public, or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the public, charitable, or religious program of this corporation.

## **ARTICLE 9**

### **Program Director**

*Section 1.* At its discretion, the Board of Directors may select a Program Director for the Association. The Program Director shall manage the daily operations of the Association. The Program Director shall be responsible for coordinating the implementation of the Association's policies and projects and such other duties as the Board of Directors may require. The Program Director shall receive for his or her services such compensation as may be determined by the Board of Directors.

## ARTICLE 10

### Finances

**Section 1. Checks, Drafts and Other Instruments.** Except as the Board of Directors may generally or in particular cases authorize the execution thereof in some other manner, all checks, drafts and other instruments for the payment of money and all instruments of transfer of securities shall be signed in the name and on behalf of the Association by any two (2) of the following people: the Program Director, the Board President, or the Chief Financial Officer.

**Section 2. Deposits.** All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

**Section 3. Gifts.** The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

**Section 4. Budget.** Thirty (30) days prior to the next fiscal year, the Board of Directors shall approve a budget for the upcoming fiscal year. The approved budget may be reviewed and revised periodically as deemed necessary by the Board.

## ARTICLE 11

### General Provisions

**Section 1. Fiscal Year.** The fiscal year of the Association shall begin on the first day of July and end on the last day of June each year.

**Section 2. Annual Report.** The Board of Directors shall cause an annual report (hereinafter the "Annual Report") to be sent to the Directors not later than one hundred twenty (120) days after the close of the Association's fiscal year. The Annual Report shall contain in appropriate detail the following:

- A. The assets and liabilities, including the trust funds, of the Association as of the end of the fiscal year;
- B. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- C. The revenue or receipts of the Association, both unrestricted and restricted to particular purposes, during the fiscal year;
- D. The expenses or disbursements of the Association, for both general and restricted purposes, during the fiscal year; and
- E. Any information required by Section 6322 of the California Corporations 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 Association that such statements were prepared without audit from the books and records of the Association.



**Section 3. Third Party Agents.** The Board of Directors may employ such fiscal agents, investment advisors, and/or custodians as may be needed to manage the fiscal affairs of the Association.

**Section 4. Records.** The records and books of account of this Association shall be inspected and reviewed at least once in each fiscal year in such a manner as may be deemed necessary or appropriate by the Board of Directors. The President shall retain a professionally qualified person or firm for such purposes, as he or she may deem appropriate.

**Section 5. Indemnification and Insurance.** The Association shall have the right to indemnify any person or entity who was or is a party, or is threatened to be made a party, to any civil, criminal, administrative, or investigative proceeding by reason of the fact that such person or entity is or was a Director, officer, employee, or otherwise an agent of the Association. This indemnification may be against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, provided that all of the requirements of Section 7237 of the California Corporations Code for such indemnification are met.

The Association shall have the right to purchase and maintain on behalf of its officers, Directors, employees, and other agents of the Association insurance against any liability asserted against or incurred by an officer, Director, employee, or agent in such capacity or arising out of the officer, Director, employee, or agent's status as such.

**Section 6. Public Records Act.** The Association's books and records are subject to the Public Records Act, Section 6250 et seq of the California Government Code.

## **ARTICLE 12**

### **Amendments**

*Section 1.* The Board of Directors shall have the power to alter, amend, or repeal the Bylaws or adopt new Bylaws by a two-thirds vote of the Directors present at any duly called meeting of the Board, provided that no such action shall be taken if it would in any way adversely affect the Association's qualifications under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future law. Any active member may propose changes to the bylaws, and such proposals will be considered by the Board of Directors consistent with the provisions of this Section.