

AMENDED AND RESTATED  
BYLAWS  
OF  
THE GEORGETOWN BUSINESS IMPROVEMENT DISTRICT INCORPORATED

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A CORPORATION ORGANIZED UNDER THE  
DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT  
AND  
THE BUSINESS IMPROVEMENT DISTRICTS ACT OF 1996, AS AMENDED

ARTICLE I. INTRODUCTION

1.01. Applicable Law. The Georgetown Business Improvement District Incorporated (the "Corporation") has been incorporated pursuant to the District of Columbia Nonprofit Corporation Act (D.C. Code, 2001 Edition, Title 29, Chapter 3, as amended) (the "Corporation Act") to organize, govern, administer and operate a Business Improvement District ("BID") in all or any substantial part of the commercial Georgetown area of Washington, D.C. pursuant to D.C. Law 11-134 the Business Improvement Districts Act of 1996, as amended (the "BID Act").

1.02. Conflicts. To the extent of any inconsistency between the provisions of these Amended and Restated Bylaws (the "Bylaws"), the Corporation Act and/or the BID Act, the BID Act shall control over the Corporation Act and these Bylaws, and the Corporation Act shall control over these Bylaws.

1.03. Definitions. All capitalized terms not otherwise defined herein shall have the definitions set forth in Schedule I attached hereto.

ARTICLE II. OFFICES

2.01. Principal and Other Offices. The Corporation shall maintain its principal office in the District of Columbia and may have such other offices, either within or without the District of Columbia, as the Board of Directors (as hereinafter defined) may designate from time to time.

2.02 Registered Office. The Corporation shall maintain a registered office in the District of Columbia, as required by the Corporation Act.

ARTICLE III. MEMBERS

3.01. Prior to BID Formation. Until the BID has been registered pursuant to the BID Act, the Corporation shall have no members.

3.02. Composition; Classes. From and after the date the BID has been registered, the Corporation shall have members (the "Members"). The Members shall consist of all (i) "owners" (defined in Section 2 of the BID Act as "owners of nonexempt real property") within the geographic area of the BID (the "BID Boundaries" as defined in Section 53(b) of the BID Act) other than Exempt Owners (hereinafter defined) (the "Owners"), (ii) "commercial tenants" (as defined in Section 2 of the BID Act) within the BID Boundaries (the "Commercial Tenants"), and (iii) any owners of exempt real property, including the District of Columbia or federal government, who become Members by making voluntary payments of the BID tax, pursuant to Section 21 of the BID Act (the "Exempt Owners"). The Corporation shall have two classes of voting membership:

(a) Class A Members: "Class A Members" shall be all Commercial Tenants within the BID Boundaries, excluding, however, ground lessees who own improvements on any commercial non-exempt property in the BID Boundaries.

(b) Class B Members: "Class B Members" shall be all Owners, and Exempt Owners who elect to become members under Section 21 of the BID Act, and ground lessees who own improvements on any commercial non-exempt property in the BID Boundaries.

Membership in the Corporation shall be automatic, vesting with ownership of any non-exempt property in the BID Boundaries, the leasing of any commercial non-exempt property in the BID Boundaries, or the election to pay BID taxes under Section 21 of the BID Act. Such membership shall continue until, and thereupon automatically shall terminate at, such time as such Member's ownership or tenancy, as the case may be, within the BID Boundaries is terminated, or any Member electing to be a Member under Section 21 of the BID Act shall be delinquent by more than sixty (60) days in the payment of its voluntary contribution (or, in the case of the federal government's General Services Administration, contract compensation), or, in any instance, the termination or dissolution of the Corporation or the BID.

3.03. Annual Meetings. Annual meetings of the Members (the "Annual Meetings") shall be held on a weekday which is not a legal holiday. Except as permitted in Section 4.02 of these Bylaws, at all Annual Meetings of the Members, Directors shall be elected as provided in Article IV hereof and such other business as properly may come before the Annual Meeting may be transacted.

3.04. Special Member Meetings. It shall be the duty of the Chair (as hereinafter defined) to call a special meeting of the Members (the "Special Member Meeting") if so directed by resolution of the Board of Directors or, after the first Annual Meeting, upon the petition of Members holding not less than twenty-five percent (25%) of the votes in the Corporation as the same may exist from time to time. Such resolution or petition shall (i) specify the time and place of such Special Member Meeting, (ii) specify either the date of such Special Member Meeting or that the Secretary (as hereinafter defined) shall designate such date, (iii) specify the purpose or purposes of such Special Member Meeting, and (iv) be delivered to the Secretary. No business shall be transacted at a Special Member Meeting except as stated in the notice of such Special

Member Meeting given in accordance with the provisions of Section 3.06. “Member Meeting” shall mean Annual Meeting or Special Member Meeting, as applicable.

3.05. Place of Meetings. Member Meetings shall be held in such place in Georgetown, Washington, D.C. or other convenient location in Washington, D.C. as from time to time may be designated by the Board of Directors.

3.06. (a) Notice of Member Meetings; Roster of Members. At least twenty-one (21) but not more than thirty (30) days in advance of each Annual Meeting, and at least seven (7) but not more than thirty (30) days in advance of each Special Member Meeting, the Secretary shall cause to be sent to each Member of record notice of the place, day and hour of the Member Meeting and, in the case of a Special Member Meeting, the purpose or purposes of such Member Meeting. Such notice shall be sent by United States mail, first class postage prepaid, or electronically, or as otherwise permitted by the BID Act, to each Member of record at the property address or e-mail address of such Member and to such other address as such Member may have designated in writing to the Secretary, or as permitted by the BID Act, as amended. The mailing of a notice of a Member Meeting in the manner provided in this Section or as permitted by the BID Act shall be deemed service of notice. In lieu of mailing notice of a Member Meeting in the manner provided in this Section, the Secretary may cause such notice to be personally delivered, *provided*, that the Secretary shall certify in writing that such notice actually was delivered to the Member.

(b) Record date. No more than 70 days prior to providing notice to members of any meeting of the membership, the Secretary shall prepare a current alphabetical list of all members who are entitled to notice of the meeting, showing the address of and number of votes of each member entitled to cast a vote. Only members listed as entitled to notice shall be entitled to vote at that meeting. The list of members must be available for inspection by any member, beginning two business days after notice of the meeting is given and continuing through until the day of the meeting, at the Corporation’s principal office or at a place identified in the meeting notice in the city where the meeting will be held. The list will also be available for inspection by any member at the meeting. A member is entitled to copy the list, during regular business hours and at the member’s expense, during the period it is available for inspection.

3.07. Adjournment of Meetings. If any Member Meeting cannot be convened because a quorum is not present, Members holding a majority of the votes present, in person or by proxy, at such Member Meeting may adjourn such Member Meeting, without the requirement of further notice, to a time not less than forty-eight (48) hours from the time the original Member Meeting was called.

3.08. Presiding Officer. The Chair or his or her designee shall preside at all Member Meetings (the “Presiding Officer”). In the absence of the Chair or such designee from any Member Meeting, any person designated by the Board of Directors shall act as the Presiding Officer at such Member Meeting.

3.09. Minutes. The minutes of all Member Meetings shall be in writing and shall be held in a minute book (the “Minute Book”) maintained by the Secretary in accordance with the Policies and Procedures (as hereinafter defined) and residing at the BID Office.

3.10. Inspectors of Election. One or more inspector(s) of election (the “Inspectors of Election”) shall be appointed by the Board of Directors prior to the time of any Member Meeting at which Directors shall be elected in accordance with Section 29-405.28 of the Corporation Act

3.11. Voting. Members shall be entitled to vote on those matters set forth in the Bylaws or on which the BID Act or the Corporation Act requires the approval of the members. The allocation of votes among Members of the Corporation shall be as follows:

(a) Each Class A Member of the Corporation shall have one vote on all matters of the Corporation for which such Member is or shall be entitled to vote.

(b) Each Class B Member shall have on all matters of the Corporation for which such Member is or shall be entitled to vote and with respect to each BID property (the “BID Property”) owned by such Member the number of votes equal to the greater of 1 or the quotient obtained by dividing by five hundred (500) (i) the amount of BID tax (rounded to the nearest Two Hundred Fifty and No/100 Dollars (\$250.00)) payable by an Owner for the then applicable fiscal year of the BID for such BID Property, or (ii) the amount of the voluntary contribution (rounded to the nearest Two Hundred Fifty and No/100 Dollars (\$250.00)) payable by an Exempt Owner, the District of Columbia or federal government (other than the federal government's General Services Administration) for the then applicable fiscal year of the BID for such BID Property, or (iii) the amount of contract compensation (rounded to the nearest Two Hundred Fifty and No/100 Dollars (\$250.00)) payable by the federal government's General Services Administration for the then applicable fiscal year of the BID for such BID Property, with any such BID taxes, voluntary contributions or contract compensation payable under Section 15(e)(2) of the BID Act annualized for the first operating year of the BID, in each instance rounded to the nearest Two Hundred Fifty and No/100 Dollars (\$250.00).

To illustrate the foregoing, if a Class B Member's annual BID tax (or voluntary contribution or contract consideration, as the case may be) is \$1,350 for a BID Property, then such Member's vote with respect to such BID Property would be determined, first, by rounding such BID tax to the nearest \$250.00 and, second, by dividing the result by 500, as follows:

<u>Step 1</u>	\$1,350.00 rounded to the nearest \$250.00 = \$1,250.00
<u>Step 2</u>	1,250.00/500 = 2.5 vote

As an additional example, if a Class B Member's annual BID tax (or voluntary contribution or contract consideration, as the case may be) is \$350.00 for a BID Property, then such Member's vote with respect to such BID Property would be determined, first, by rounding \$350.00 down to \$250.00 and, second, by dividing the result by 500 to reach

.50, except, that, in such instance, such Member's vote can be no less than, and accordingly would equal, 1.

Notwithstanding the foregoing provisions of this paragraph (b), in no event shall the total number of votes assigned to any one Member, or to any number of Members under common ownership or control, exceed thirty-three and one-third percent (33 1/3%) of the total number of votes which may be cast. For purposes of the foregoing, "ownership or control" shall mean the possession of the power directly or indirectly to cause the direction of the management and the policies of the Member(s) in question.

(c) Since a Member may be other than a natural person, or a combination of persons and/or entities, the person who shall be entitled to cast the vote(s) of such Member shall be the natural person named in a certificate executed by all of the persons and/or entities comprising such Member and filed with the Secretary at or prior to any Member Meeting or, in the absence of such named person from the Member Meeting (or the failure to name such a person), the person who shall be entitled to cast the vote(s) of such Member shall be the natural person who is present at such Member Meeting, if only one such person is present. If more than one such persons are present and no certificate has been filed with the Secretary (or, if the person named in the certificate is not present), the vote(s) appertaining to such Member shall be cast in accordance with the agreement of a majority of the persons so present, and the consent of such persons shall be conclusively presumed if any one of them purports to cast the votes appertaining to such Member without protest being made to the Presiding Officer of the Member Meeting. If protest is made, such Member shall be counted solely for the purpose of determining quorum.

(d) No Member may vote at any Member Meeting if at the time of such Member Meeting such Member shall be delinquent by more than sixty (60) days in the payment of any financial obligation to the Corporation.

3.12. Proxies. The vote(s) of any Member may be cast pursuant to a proxy duly executed by or on behalf of such Member or, in cases where a Member is more than one person or entity, by or on behalf of all such persons and/or entities, and shall be filed with the Secretary at or before the appointed time of the Member Meeting. No proxy shall be revocable except by actual notice of revocation given by the Member to the Presiding Officer of the Member Meeting. A proxy may be instructed (directing the proxy how to vote) or uninstructed (permitting the proxy to vote in his or her discretion). A proxy shall be void if it is not dated, if it purports to be revocable without notice, if it is not signed by a person having authority to execute deeds on behalf of any Member who is not a natural person or if it is not signed by the Member or such Member's duly authorized attorney-in-fact for any Member who is a natural person, or, subject to the final sentence of this Section, if it purports to apply to less than all of the votes applicable to such Member with respect to any one BID Property. Subject to the last sentence of this Section, each proxy shall terminate automatically upon the adjournment of the first Member Meeting held on or after the date of that proxy. Notwithstanding the foregoing provisions of this Section, proxies by a Class B Member to such Member's commercial tenants or any such commercial tenant may be for less than all of the votes attributable to such BID Property (but in no event less than a fractional vote of .25 or in multiples other than .25) and may be continuing

in nature for a stated period not to exceed eleven (11) consecutive months, but in no event shall be deemed to constitute a proxy for the purpose of casting such Member's vote (or any portion thereof) for the election of any Class B Directors.

3.13. Member Action. Except as otherwise required by the BID Act, the Corporation Act, the Articles of Incorporation or these Bylaws, decisions of the Members shall be made by a majority of the votes of Members present, in person or by proxy (including via electronic mail or facsimile), at a Member Meeting at which a quorum shall have been obtained. In furtherance of the foregoing, pursuant to Section 29--405.24(b) of the Corporation Act, the Members present, in person or by proxy, at a duly convened Member Meeting may continue to conduct business until adjournment, notwithstanding the withdrawal of Members sufficient to reduce Member presence below quorum.

3.14. Majority of the Members. Except as otherwise provided by law as used in these Bylaws, the term "majority of the votes of Members" or words of like import shall mean the vote of Members present, in person or by proxy, at a duly organized Member Meeting at which a quorum shall have been obtained and (i) holding more than fifty percent (50%) of the votes of Members so present and (ii) representing more than fifty percent (50%) in number of all nonexempt BID Properties.

3.15. Quorum. Except as otherwise provided in these Bylaws or as required by law, the presence, in person or by proxy, of Members eligible to vote holding twenty-five percent (25%) or more of the outstanding votes in the Corporation and representing ten percent (10%) or more in number of all nonexempt BID Properties and representing ten percent (10%) or more in number of Commercial Tenants in the BID at the time a Member Meeting shall convene shall constitute a quorum at and throughout all such Member Meeting.

3.16 Conduct of Meetings. Executive Committee, Board, Annual Meetings shall be Chaired by the Chair or the appropriate Officer in the absence of the Chair. All meetings shall be open to be observed by Members except when personnel or legal matters are discussed. All meetings will be conducted to allow the Member of the body holding the meeting to fully participate in discussions and decisions. Members and observers attending any BID meeting shall, at all times, conduct themselves in a professional and courteous manner towards one another, and shall refrain from personal or ad hominem arguments. Except where formal votes are required by the BID Act, District non-profit law, or the Bylaws, decisions will be reached by consensus. Where consensus is not reached, the Chair shall employ Roberts Rules of Order to reach a decision. A Chair may also employ Roberts Rules of Order in any BID meeting in order to ensure that the meeting is conducted in a manner that is fair and transparent.

#### ARTICLE IV. BOARD OF DIRECTORS

##### 4.01. Number and Composition.

(a) The affairs of the Corporation shall be governed by a board of directors (each, a "Director" and collectively, the "Board of Directors"). The number of elected Class A and Class B Directors of the Corporation shall be at least twenty-two (22), but not more

than twenty-eight (28), as determined by the Board of Directors from time to time as set forth in Section 4.01(b). At all times, there shall be at least three (3) more Class B Members on the Board of Directors (the “Class B Directors”) than Class A Directors on the Board of Directors (the “Class A Directors”), but in no case shall more than 2/3 of the Members be Class B members. Pursuant to Section 7(a) of the BID Act, a majority of Directors shall represent Class B Members.

(b) (i) There shall be appointed directors (the “Appointed Directors”) representing the Georgetown Business Association (“GBA), the ANC 2E (“ANC”), Georgetown University (“GU”), the Citizens Association of Georgetown (“CAG”).

(ii) There may also be Appointed Directors representing one of the Embassies located in the BID Boundaries (the “Embassy Community”), the District of Columbia Metropolitan Police Department for the 2nd District of the rank of Lieutenant or higher, the Council person for Ward 2, a representative of the National Park Service, representatives of civic organizations active in Georgetown, or such other persons as the Board of Directors from time to time may deem advisable. Such members shall serve at the pleasure of the Board of the Directors.

(c) A majority of incumbent Class A Directors, and a majority of incumbent Class B Directors, from time to time serving may amend the membership number of the Board of Directors, as limited by Section 4.01(a) above, by written notice thereof given to the Nominating Committee at least thirty (30) days prior to the date of any Annual Meeting at which the election of Directors shall be held.

#### 4.02. Election.

(a) Nominating Committee. There shall be at least seven (3) and no more than ten (10) members on the nominating committee (the “Nominating Committee”), as determined by the Chair from time to time. At least sixty (60) days prior to each Annual Meeting, the Chair shall appoint a chair of the Nominating Committee (the “Nominating Committee Chair”). The Nominating Committee Chair shall appoint each of the members of the Nominating Committee. The Nominating Committee shall consist of current Directors of the Corporation, although past Chairs of the Corporation may participate in the deliberations of the Nominating Committee in accordance with Section 4.21 of these Bylaws. With respect to all such Annual Meetings, at least one (1) Nominating Committee member shall be a Class A Director and at least one (1) Nominating Committee member shall be a Class B Director, and no Director whose term is then expiring who has not removed himself or herself from nomination shall be eligible to serve on the Nominating Committee. The Nominating Committee shall develop and administer such election procedures as shall be approved from time to time by the Board of Directors. The Nominating Committee shall make its determinations by majority vote and submit to the entire Board of Directors a written list of the slate and number of candidates for the next Board of Directors; provided that (i) the Executive Committee shall have provided the Nominating Committee with a list of suggested criteria for the slate that seeks to identify Board Members who represent the diverse interests of the Members; the needs of the organization for the coming Board term; members who are committed to fully participating in the activities of the Board and the organization; and (ii) the Nominating Committee shall

nominate a slate that does not give undue influence to any Member, in their reasonable discretion.

(b) Nominations. Each person eligible for election as a Director may be nominated only by: (i) the Nominating Committee or (ii) by a self-nominating Member petition submitted to the Nominating Committee Chair at least thirty (30) days prior to the date of the Member Meeting at which such election shall be held; *provided*, that, a self-nominating petition shall require a statement of no more than 100 words outlining why the Member wishes to be elected as a Director. Each nominee either shall be present at the Member Meeting for which such election shall be held to consent to the nomination, or shall consent to such nomination by a written instrument delivered to the Secretary at or prior to the time of such Member Meeting.

(c) Election. Class A Directors shall be elected by plurality vote of the Class A Members, and Class B Directors shall be elected by plurality vote of Class B Members. Each Member shall be entitled to cast its votes for as many persons as there are Directors to be elected. Votes shall not be cumulated. In accordance with Section 29-405.09 of the Corporation Act, in the discretion of the Board of Directors, the election of Directors after the first Annual Meeting may be conducted by mail if the Corporation delivers a ballot to every Member entitled to vote on the matter.

(d) Appointed Directors. Appointed Directors shall be nominated to the Board by the organizations listed in section 4.01(b)(i) or by the Nominating Committee or Executive Committee for organizations and individuals listed in section 4.01(b)(ii). Nominated Appointed Directors shall join the Board after their nomination is approved by a majority vote of the Board. Appointed Directors serving pursuant to 4.01(b)(i) shall serve for so long as they are the Chair, chairperson or other designated representatives of their organization and automatically shall be deemed to have resigned upon vacating such office for any reason. Appointed Directors serving pursuant to 4.01(b)(ii) shall serve at the pleasure of the Board of Directors. No Appointed Director shall have any voting rights in the Corporation.

4.03. Term of Office. Board terms shall be three (3) years, with approximately 1/3 of the directors elected each year. Directors elected to fill an unexpired term shall be elected to serve only the remaining time of that term. All Directors shall hold office until their respective successors shall have been elected and shall have qualified.

4.04. Qualifications. All Directors (other than the Appointed Directors) shall be Members, or partners, officers, directors, trustees, agents or employees of Members who are not natural persons. No Member may be elected to or may serve on the Board of Directors if at the time of such election or during such incumbency such Member shall be delinquent by more than sixty (60) days in the payment of any financial obligation to the Corporation. A property owner that occupies its own building as a tenant shall be considered to be a Class B member and may not serve on the Board as a Class A member.



4.05. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Corporation and may do all acts and things as are permitted by the BID Act, the Corporation Act, the Articles of Incorporation or these Bylaws as are permitted by the Corporation. In addition to the fiduciary duties imposed on the Board of Directors under the BID Act, the Corporation Act, and the Articles of Incorporation, and the duties imposed by these Bylaws, the Board of Directors shall have the power to, and shall be responsible for, the following:

(a) Preparing and processing, in accordance with the BID Act, a BID application in furtherance of registration of the BID.

(b) Adopting an annual operating budget and supplements thereto (the "Annual Budget") as provided in Article VII of these Bylaws.

(c) Providing for the conduct of any "BID activity" (as such term is defined in the BID Act and shall include any specially charged special capital improvement or service permitted under Section 16(c) of the BID Act) that the Board of Directors elects to undertake. The Board of Directors expressly is authorized to enter into cooperative, cost sharing agreements with the boards of other BIDs or business or citizens associations if in the judgment of the Board of Directors such agreements are in the best interests of the Corporation and/or BID.

(d) Designating, hiring and dismissing the personnel necessary for conduct of business and activities of the Corporation and the BID, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which equipment, supplies and materials shall be the property of the Corporation.

(e) Providing to the Chief Financial Officer of the District of Columbia ("CFO") the BID tax roll and supporting information as provided for in Section 15 of the BID Act, and cooperating and coordinating with the CFO the collection and disbursement of BID taxes, depositing the same in a bank depository(ies) which it shall approve in accordance with these Bylaws, and using the proceeds to administer the Corporation and BID in accordance with the provisions of these Bylaws and the BID Act.

(f) Opening checking, savings, money market or other depository accounts on behalf of the Corporation and designating the signatories required therefor, *provided*, that all such accounts must be maintained in federally insured financial institutions doing business in the District of Columbia.

(g) Contracting for the making of BID activities in accordance with the provisions of these Bylaws and the BID Act.

(h) Enforcing by legal means the provisions of these Bylaws and the Articles of Incorporation, and bringing or defending against any proceedings which may be instituted on behalf of or against the Corporation.

(i) Obtaining and carrying insurance as provided in these Bylaws, paying the premium cost thereof and adjusting and settling claims thereunder.

(j) Keeping books and accounts in accordance with the provisions of these Bylaws and the BID Act.

(k) Filing an annual report of the Corporation pursuant to Section 13 of the BID Act.

(l) Adopting amendments to these Bylaws and/or the BID plan, subject to and as provided in Article XII of these Bylaws.

(m) Borrowing money on behalf of the Corporation when required in connection with BID activities, *provided, however*, that at no time shall there be borrowed in excess of ten percent (10%) of the total assessment for BID taxes for any fiscal year without the affirmative vote of at least sixty-seven percent (67%) of the votes of Members present, in person or by proxy, at a Member Meeting at which a quorum shall have been obtained.

4.06. Self-Management, BID Staff, Executive Director and Managing Agent.

(a) Self-Management. (1) The Board of Directors may retain on behalf of the Corporation such individuals as it deems necessary or desirable to assist in the self-management of the Corporation and the BID (the "BID Staff"). The head of the BID Staff shall be the executive director of the Corporation (the "Executive Director") or the Chief Executive Officer ("CEO") These terms may be used interchangeably and shall refer to the same position across all corporate documents including the BIDs Policies and Procedures. The Executive Director shall be the chief executive officer of the Corporation and report to the Board of Directors. The Executive Director or CEO shall, subject to the direction of the Board, (1) be responsible for general supervision of the business and affairs of the Corporation, (2) be responsible for providing broad leadership and direction to the Corporation and (3) establish and maintain management systems needed to ensure and report on the implementation of policies established by the Board of Directors.

(2) The Executive Director or CEO, who shall serve at the will of the Board, shall be appointed by a majority of the directors of the Corporation. The Executive Director or CEO may be removed, with or without cause, by a majority of the directors of the Corporation. The Executive Director or CEO shall report to the Board and between Board meetings to the Chair.

(3) The Executive Director or CEO may sign any deeds, mortgages, bonds, contracts, or other instruments that the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or the Bylaws to some other officer or agent of the Corporation, or shall be required by the law to be otherwise signed or executed.

(b) Managing Agent. In the event the Board of Directors opts not to self-manage pursuant to Section 4.07(a), the Board of Directors may hire a professional third party company (the “Managing Agent”) at a compensation established by the Board of Directors to perform such non-fiduciary duties and services as the Board of Directors shall authorize. The Managing Agent may not be a Member or an affiliate of a Member, but may be a property manager or asset manager of any BID Property(ies). The Board of Directors may delegate to one of its Directors the authority to act as liaison on its behalf on all matters relating to the duties of the Managing Agent which might arise between Board Meetings. The Board of Directors may not hire a Managing Agent for a term in excess of two (2) years, which contract may be renewed on a continuing one (1) year basis. Any contract with a Managing Agent must provide that it may be terminated for cause on no more than thirty (30) days' written notice and without cause on no more than ninety (90) days' written notice, in all cases without the imposition of any termination fee.

(c) Limitations on Delegation. The Board of Directors may delegate to the BID Staff or any Managing Agent, as applicable, any or all of the powers granted to the Board of Directors by these Bylaws, *provided*, that in no event may the Board of Directors delegate its duties or its powers under paragraphs (b), (c), (l) and (m) of Section 4.06.

(d) Standards of Performance. The Board of Directors shall require appropriate standards of performance of members of the BID Staff or any Managing Agent, as applicable, including without limitation, the following:

(i) bank accounts of the Corporation shall not be commingled with any other accounts;

(ii) except for business-related meals and/or events or travel, no remuneration or other benefit shall be accepted by the BID Staff or any Managing Agent, as applicable, from vendors, independent contractors or others providing goods or services to the Corporation, and any discount or other benefit received shall be received in trust for and on behalf of the Corporation. This amount shall be capped at \$1,500 and governed by requirements in the Policies and Procedures;

(iii) any financial or other interest which the BID Staff or any Managing Agent, as applicable, may have in any person or firm providing goods or services to the Corporation promptly shall be disclosed to the Board of Directors;

(iv) the BID Staff or any Managing Agent, as applicable, shall prepare a monthly financial report for the Corporation containing the following: (A) a balance sheet reflecting the financial condition of the Corporation on an unaudited basis; (B) an income and expense statement reflecting the income and expense activity for the preceding month; (C) an account activity statement reflecting all receipt and disbursement activity for the preceding month on a cash basis; (D) a delinquency report indicating all Members who are delinquent in paying assessments and describing any actions taken on behalf of the Corporation to collect such assessments; (E) an account status report reflecting the status of all accounts on an actual versus projected basis; and (F) a budget report reflecting actual versus budgeted amounts on a year to

date basis; and

(v) either (A) the Corporation on behalf of the BID Staff or (B) any Managing Agent, as applicable, shall maintain fidelity bond coverage to protect against willful or dishonest acts of its employees who either handle or are responsible for handling funds of the Corporation, which coverage shall (Y) name the Corporation as an additional obligee and (Z) otherwise provide the same coverage as is required of the Corporation under Article IX of these Bylaws.

4.07. Removal of Members of the Board of Directors. Any Director other than the Appointed Directors may be removed, for cause (as reasonably determined by the Board), either (i) by a majority of the votes of the membership class which elected such Director at any Member Meeting at which a quorum shall have been obtained, and a successor may then and there be elected by such membership class to fill the vacancy thus created for the remainder of the term of the Director so removed, or (ii) by a vote of a majority of all of the other Directors at a Special Board Meeting (as hereinafter defined) held for such purpose. An Appointed Director may be removed only for cause as reasonably determined by the Board, which vacancy shall be filled in accordance with Section 4.10 of these Bylaws. Any Director whose removal has been proposed by Members shall be given at least seven (7) days' notice of the calling of the Special Board Meeting and the purpose thereof, and shall be given an opportunity to be heard at the Special Board Meeting. The notice of the meeting at which the removal of a director is to be considered must state that one of the purposes of the meeting is to vote on the removal of the director.

4.08. Resignations of Members of the Board of Directors. Any Director may resign at any time by giving written notice to the Board of Directors, chairman of the Board of Directors, if any, Chair, or Secretary of the Corporation. Unless otherwise specified in such written notice, a resignation shall take effect upon delivery thereof to the Board of Directors or to the designated Officer (as hereinafter defined). Such resignation shall take effect on the date the notice was delivered to the Secretary. Unless otherwise specified in the notice of resignation, a resignation need not be accepted in order to be effective.

4.09. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by Members (which shall be filled as provided in Section 4.08) shall be filled by a vote of a majority of the remaining Directors (or the sole remaining Director) at a Special Board Meeting held for such purpose promptly after the occurrence of any such vacancy, *provided*, that a vacancy of a Class A Director shall be filled by a Commercial Tenant or representative of a Commercial Tenant and a vacancy of a Class B Director shall be filled by an Owner or representative of an Owner. Each person so elected shall be a Director until a successor shall be elected at the next Annual Meeting for the remainder of the term created by such vacancy. A vacancy of an Appointed Director shall be filled pursuant to Section 4.02(d).

4.10. Organization Meeting. A special organization meeting (the "Organization Meeting") of each Board of Directors shall be held after each Annual Meeting in accordance with the Policies and Procedures.

4.11. Regular Meetings. No fewer than six (6) regular meetings of the Board of Directors (the “Regular Meetings”) shall be held during each consecutive twelve (12) month period, in each instance, at such time and place as shall be determined from time to time by the Board of the Directors. Notice of Regular Meetings of the Board of Directors shall be given to each Director by mail, electronic mail, facsimile, telex or telegraph, telephone or personally at least seven (7) business days prior to the date specified for such Regular Meeting. All Regular Meetings and Special Board Meetings shall be open to the Members, except that matters relating to the hiring or termination of personnel, matters with legal counsel to the Corporation recommended by such legal counsel to be held in closed session and other matters ordinarily conducted by the governing body of a nonprofit corporation with privacy or otherwise in closed session, all may be conducted to the exclusion of Members, as appropriate. A schedule of Regular Meetings of the Board of Directors for each fiscal year shall be posted in accordance with the Policies and Procedures.

4.12. Special Board Meetings. Special meetings of the Board of Directors (the “Special Board Meetings”) may be called by the Chair with no less than three (3) business days' notice to each Director, given by mail, electronic mail, facsimile, telex, telegraph, telephone or personally, which notice shall state the time, place and purpose of the Special Board Meeting. Special Board Meetings shall be called by the Chair or Secretary in like manner and on like notice on the written request of at least twenty-five percent (25%) of the Directors. “Board Meeting” shall mean Organizational Meeting, Regular Meeting or Special Board Meeting, as applicable.

4.13. Meetings/Actions by Telephone or Similar Communications Equipment

(a) Meetings by Telephone. Directors may participate in Board Meetings by means of a conference telephone or similar communication equipment, whereby all Directors participating in the Board Meeting have the opportunity to hear each other at the same time and participate, and participation in any such Board Meeting shall constitute presence in person by such Director at any such Board Meeting. All quorum and voting conditions set forth in these Bylaws shall apply.

(b) Voting. During a Board Meeting pursuant to Section 4.14(a), the Board of Directors may cast their votes orally. Pursuant to Section 4.19, the Board of Directors may cast their votes by electronic mail or by facsimile provided that such vote is cast pursuant to the time frame specified in the Notice. A written record shall be made of all actions taken at any Board Meeting conducted by means of a conference telephone or similar communications equipment, or by electronic mail or facsimile.

4.14. Waiver of Notice. Any Director at any time in writing may waive notice of any Board Meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any Board Meeting shall constitute a waiver of notice by such Director of the time and place of such Board Meeting, unless such attendance is for the sole purpose of objecting to such Board Meeting. If all Directors are present at any Board Meeting, no notice shall be required and any business may be transacted at such Board Meeting.

4.15. Quorum; Voting of the Board of Directors. At all Board Meetings, the presence in person at the commencement of a Board Meeting of a majority of Directors, and at least one-third (1/3) of each (i) the Class A Directors and (ii) the Class B Directors, shall constitute a quorum for the transaction of business throughout the Board Meeting, and the votes of a majority of the Class A and Class B Directors present at a Board Meeting at which a quorum is present shall constitute the decision of the Board of Directors. Appointed Directors shall be non-voting Directors. If, at the commencement of any Board Meeting, there is less than a quorum present, a majority of those present or a sole present Director may adjourn the Board Meeting from time to time. At any such reconvened Board Meeting at which a quorum is present, any business which might have been transacted at the Board Meeting originally called may be transacted without further notice.

4.16. Compensation. No Director shall receive any compensation for acting as a Director, but shall be reimbursed for actual and reasonable out-of-pocket expenses incurred in the performance of such person's duties in connection with the BID, in accordance with the Policies and Procedures.

4.17. Conduct of Meetings. All resolutions adopted by the Board of Directors and all transactions and proceedings occurring at all Board Meetings shall be reflected in written minutes and held in a Minute Book maintained by the Secretary in accordance with the Policies and Procedures. The then current Robert's Rules of Order or any other rules of procedure at any time or from time to time acceptable to a majority of the Board of Directors shall govern the conduct of the Board Meetings when not in conflict with these Bylaws, the Corporation Act or the BID Act. The Minute Book maintained by the Secretary in accordance with this Section shall be made available for examination and duplication under and subject to the limitations set forth in Section 7.08. The Presiding Officer shall have the responsibility and duty to keep order, be fair and impartial and protect the rights of all Directors in the conduct of Board Meetings.

4.18. Action Without Board Meeting. Any action required or permitted to be taken at any Board Meeting may be taken without a Board Meeting and without prior notice if a written consent in lieu of such Board Meeting is obtained from all of the Class A Directors and Class B Directors then in office, and which consent (i) sets forth that the Director executing the counterpart of the consent has consented to take action without a Board Meeting, (ii) sets forth the action so taken, and (iii) is signed either before or after such action by all Directors then in office. Any such written consent may be executed in two (2) or more counterpart copies, all of which counterparts shall have the same force and effect as if all Directors had executed a single copy of such consent or may be delivered through an electronic communication. Any such unanimous written consent shall be filed with the minutes of the proceedings of the Board of Directors.

4.19. Conflicting Interest Transactions. Each Director shall exercise his or her powers and duties in good faith and in the best interests of the Corporation and in accordance with the standards of conduct set forth in Section 29-406.30 of the Corporation Act. No contract or other transaction between the Corporation and any of its Officers or Directors, or between the Corporation and any corporation, firm or association in which any of the Officers or Directors of

the Corporation are Directors or Officers or are pecuniarily or otherwise interested, is or shall be either void or voidable because of such relationship or interest or because any such Officer or Director is present at the Board Meeting or any meeting of a committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or her or their vote(s) is or are counted for such purpose, if any of the conditions specified in any of the following paragraphs exists:

(a) the material facts of such relationship or interest and as to the contract or transaction are disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies such contract or transaction in good faith and by a vote of a majority of the directors, without counting the vote(s) of such interested Officers or Directors; *or*

(b) the material facts of such relationship or interest and as to the contract or transaction are disclosed or known to Members holding at least a majority of all of the votes in the Corporation and such Members authorize, approve or ratify such contract or transaction in good faith and by a vote sufficient for the purpose; *or*

(c) such contract or transaction was fair and commercially reasonable to the Corporation in view of all the facts known to any Officer or Director at the time it was authorized, ratified, approved or executed.

Any common or interested Officer or Director may be counted in determining the presence of a quorum at any Board Meeting or committee thereof which authorizes, ratifies or approves any contract or transaction.

#### 4.20. Committees.

- (a) The Board of Directors from time to time may appoint (and expand and/or disband) such Board Committees from among its own members as the Board of Directors from time to time deems it desirable to assist in the administration or operation of affairs of the Corporation. The Nominating Committee and the Executive Committee shall be Board Committees, along with such other committees designated as Board Committees as the Board of Directors may create. If required by the Policies and Procedures, the minutes of each Board committee shall be kept in accordance with the Policies and Procedures. No Committee of the Board shall have the power to (1) elect or remove Directors or committee members, (2) approve the dissolution, merger, or reorganization of the Corporation or distribution of its assets; (3) the amendment of the Articles of Incorporation or these Bylaws; or (4) such other matters as the Board may hereinafter determine by a majority vote of the Directors. Each member of a committee shall serve until the next annual meeting of the Board of Directors and until such member's successor is appointed, unless: (A) the committee shall be sooner terminated, (B) such member be removed from such committee, with or without cause, by a vote of the Board of Directors, or (C) such member shall cease to be a Director or otherwise resign from such committee

(b) Board Committees exercising authority as provided in these Bylaws, including the Nominating Committee, the Executive Committee, and such other Board Committees as the Board of Directors may create, may have as members only persons who are serving as members of the Board of Directors. Persons who are not members of the Board of Directors may consult with Board Committees and participate in committee discussions as the Board of Directors may direct or permit, but may not vote on Board Committee decisions.

(c) The Board of Directors may also create advisory committees and other advisory bodies that provide advice to the Corporation but that exercise no powers of the Board of Directors under the Articles of Incorporation or these Bylaws. Advisory committees, which are not Board Committees, may have such membership as the Board of Directors may determine; provided, however, that the Board of Directors may not delegate any of its power, authority, or functions to the advisory committee. A majority of the members of an advisory committee shall constitute a quorum for the transaction of business. Each member of an advisory committee shall serve until the next annual meeting of the Board of Directors and until such member's successor is appointed, unless: (1) the advisory committee shall be sooner terminated, (2) such member be removed, with or without cause, by a vote of the Board of Directors, or (3) such member shall otherwise resign from such advisory committee.

(d) Any action required or permitted to be taken at a committee meeting may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each committee member and filed with the minutes of the committee. The members of a Board or advisory committee may conduct any meeting thereof by telephone conference or similar communications equipment.

#### 4.21 Executive Committee.

(a) Composition; Voting. The Board of Directors shall appoint an executive committee (the "Executive Committee") which shall consist of each of the Officers of the Corporation who is also serving as a member of the Board of Directors, and such other members of the Board of Directors as the Board of Directors may decide based upon the recommendation of the Chair of the Board. The then current Managing Agent or Executive Director shall participate in the meetings of the Executive Committee but shall not be a member of the Committee. At no time shall any Member be permitted to control directly more than one (1) of the positions on the Executive Committee. For purposes of the immediately preceding sentence, "Control" shall be deemed to be ownership, directly or indirectly, of thirty-three and one-third percent (33 1/3%) or more of the legal and equitable interest of the controlled corporation or other business entity, in accordance with the Policies and Procedures. The Chair of the Corporation shall serve as the chair of the Executive Committee (the "Executive Committee Chair"). The Executive Committee Chair or, in the absence of an Executive Committee Chair, a member of the Executive Committee chosen by a majority of the members present, shall preside at Executive Committee meetings, and another member thereof chosen by the Executive Committee shall act as secretary. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and the affirmative vote of the majority of the Executive Committee then present shall be required for any action of the Executive Committee.



(b) Power of Executive Committee. The Executive Committee shall have and may exercise all of the rights, powers and authority of the Board of Directors, except as expressly limited by the Corporation Act, as amended from time to time. Decisions of the Executive Committee shall be consistent with the then current Annual Budget of the Corporation and the Policies and Procedures. Notwithstanding the foregoing, the following actions (the "Full Board Actions") shall require Board approval prior to implementation, in accordance with the timeframes set forth in the Policies and Procedures: (i) hiring or firing of the Managing Agent or Executive Director, (ii) expenditures exceeding the then-current Annual Budget or significant transfers of funds from one category of the Annual Budget to another in excess of \$25,000, in accordance with the Policies and Procedures, and (iii) revision of the Policies and Procedures , (iv) actions that are contrary to required undertakings listed in the BIDs 5-Year Plan; Vacancies in the Executive Committee shall be filled by the Chair of the Board, subject to the approval of the Board of Directors by a vote of a majority of the Directors then in office.

Any Full Board Actions which the Executive Committee believes to be urgent, in the Executive Committee's reasonable discretion, may be subject to an accelerated timeline in accordance with the Policies and Procedures.

(c) Meetings of Executive Committee. The Executive Committee shall fix its own rules of procedure and shall meet at such times and at such places as may be provided by its rules ("Executive Committee Meetings"). All Executive Committee Meetings shall be open to all Directors, and a schedule of Executive Committee Meetings for each fiscal year shall be posted in accordance with the Policies and Procedures. Each Director shall be notified of any special Executive Committee Meetings with no less than three (3) business days' notice to each Director, given by mail, electronic mail, facsimile, telex, telegraph, telephone or personally, which notice shall state the time, place and purpose of the special Executive Committee Meeting.

(d) Minutes. The Executive Committee shall keep minutes of its Meetings in accordance with the Policies and Procedures and shall deliver said minutes to the Board of Directors by the earlier of (i) five (5) business days after the Executive Committee Meeting and (ii) the next Board Meeting, except in the event that the next Board Meeting is less than twenty four (24) hours after the Executive Committee Meeting, in which event a member of the Executive Committee shall provide an oral presentation of the substance of the Executive Committee Meeting during the Board Meeting and the minutes from the Executive Committee Meeting shall be delivered to the Directors as soon as reasonably practicable but in no event later than five (5) business days after the Executive Committee Meeting.

## ARTICLE V. OFFICERS

5.01. Designation. The principal officers (the "Officers") of the Corporation shall be a Chair, one or more Vice Chairs (as hereinafter defined), a Secretary and a Treasurer (as hereinafter defined). The Board of Directors may appoint an assistant treasurer, an assistant secretary and/or such other officers as in its judgment may be necessary or desirable. All Officers shall have the duties normally incident to their respective offices in a District of

Columbia nonprofit corporation and such other additional duties as from time to time shall be assigned by the Board of Directors. The duties and principal obligations of each of the Officers are as follows:

(a) Chair. The Chair (the “Chair”) shall be responsible for the management of the Corporation and, subject to the direction of the Board of Directors, shall have general charge of the activities, affairs and property of the Corporation and general supervision over its other Officers and agents. In general, the Chair shall perform all duties incident to the office of Chair of a nonprofit corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chair shall be thoroughly familiar with the Bylaws of the BID, parliamentary procedure in general and the BID’s selected parliamentary authority in particular.

(b) Vice Chair. In the absence or disability of the Chair, the vice Chair (the “Vice Chair”), or in the event there is more than one, the Vice Chairs in the order designated, or in the absence of any designation, in the order of their election, shall perform the duties and exercise the powers of the Chair. The Vice Chair(s) also generally shall assist the Chair and shall perform such other duties and have such other powers as from time to time may be provided by the Board of Directors.

(c) Secretary. The secretary (the “Secretary”) shall attend all Member Meetings and of the Board Meetings and shall assure that all votes and the minutes of proceedings of all Member Meetings and Board Meetings are recorded and maintained in a book to be kept for such purposes at the BID offices in accordance with the Policies and Procedures. The Secretary also shall perform like duties for the Executive Committee or other committees, if required by any such committee. The Secretary shall assure that notice of all Annual Meetings, Regular Meetings, Special Member Meetings and/or Special Board Meetings is given and shall perform such other duties as from time to time may be provided by the Board of Directors or by the Chair. The Secretary shall have custody of the seal of the Corporation, shall have authority (as shall any Assistant Secretary) to affix the same to any instrument requiring it, and to attest the seal by signature. The Board of Directors may give general authority to Officers other than the Secretary or any Assistant Secretary to affix the seal of the Corporation and to attest the affixing thereof by signature. The Secretary shall maintain a current record of Members of the Corporation, and the Secretary, working with other Officers and agents of the Corporation, shall determine the number of votes to be allocated to Members pursuant to these Bylaws.

(d) Assistant Secretary. The assistant secretary (the “Assistant Secretary”), if any (or in the event there is more than one, the Assistant Secretaries in the order designated, or in the absence of any designation, in the order of their election), in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary. The Assistant Secretary(ies) shall perform such other duties and have such other powers as from time to time may be provided by the Board of Directors.

(e) Treasurer. The treasurer (the “Treasurer”) shall cause and assist in the custody of and responsibility for the Corporation’s funds and evidences of indebtedness, shall cause and assist in keeping books belonging to the Corporation, and shall cause and assist in

depositing all moneys and other valuable effects in the name and to the credit of the Corporation in such accounts (including, without limitation, checking, savings and money market accounts) and in such depositories as from time to time may be ordered by the Board of Directors; provided, however, that any such account may only be maintained in a federally insured financial institution doing business in the District. The Treasurer shall cause and assist in disbursing the funds of the Corporation as may be ordered by the Directors, or by the Chair if such expenditure authority has been delegated by the Directors to the Chair. The Treasurer shall cause and assist in keeping full and accurate records and accounts of the assets, liabilities, receipts and disbursements and other transactions of the Corporation in books belonging to the Corporation and shall render to the Chair and the Board of Directors, at Regular Meetings of the Board of Directors of whenever any of them may so require, an account of all transactions and the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall cause and assist, at the Corporation's expense, in providing a fidelity bond to the Corporation in such amount, form and security as may be specified by the Board of Directors for the faithful performance of the duties of the office of Treasurer and for restoration to the Corporation of all of its books, records, money, vouchers, and any and all other property in the Treasurer's possession or under the Treasurer's control on the date of the Treasurer's death, resignation or removal from office.

(f) Assistant Treasurer. The assistant treasurer (the "Assistant Treasurer"), if any (or in the event there is more than one, the Assistant Treasurers in the order designated, or in the absence of any designation, in the order of their election), in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the treasurer. The Assistant Treasurer(s) shall budget outlining the Board of Director's then current projections of revenues and operating expenses for the next succeeding fiscal year. The Board of Directors shall also deliver to the Members, from time to time as circumstances warrant, a supplement to the then current Annual Budget outlining any material change in anticipated income or expenditures during the applicable fiscal year. The Board of Directors shall also update the Annual Budget and/or supplement from time to time to the extent the Board of Directors receives information requiring material changes to the Annual Budget or supplement.

5.02. Qualifications. Only Directors shall be Officers. Any Officer may hold more than one position, except that the offices of Chair, Vice Chair, and Treasurer shall be held by three (3) different persons.

5.03. Election. The Officers of the Corporation shall be elected annually by the Board of Directors at the Organization Meeting following each Annual Meeting, and shall hold office at the pleasure of the Board of Directors.

5.04. Removal of Officers. Any Officer may be removed for cause (as reasonably determined by the Board), upon the affirmative vote of a majority of the Directors. Any Officer may resign at any time. Any vacancy in an office shall be filled by the Board of Directors at a Regular Meeting or at a Special Board Meeting called for such purpose.

5.05. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Corporation for expenditures or obligations in

excess of an amount to be specified in the Policies and Procedures, and all checks drawn upon reserve accounts, if any, shall be executed by any two Officers or by such other person or persons as may be designated by the Board of Directors in accordance with the Policies and Procedures.

5.06. Compensation of Officers. No Officer shall receive any compensation for acting as an officer, but shall be reimbursed for reasonable and actual out-of-pocket expenses incurred in the performance of such person's duties in connection with the BID. Notwithstanding the foregoing, pursuant to Section 7(d) of the BID Act, an Officer who also serves as the Managing Agent may receive compensation.

## ARTICLE VI. LIABILITY AND INDEMNIFICATION

6.01. District of Columbia. The District of Columbia shall not be liable or responsible in any manner for any debts incurred, or for any acts or inactions by the Board of Directors or by any agent, employee or Member of the Corporation.

6.02. Liability. Neither a Director, Officer or Member nor any affiliate of a Director, Officer or Member, nor any shareholder, officer, director, employee, partner, agent, or advisor of a Director, Officer or Member, nor an affiliate of any Director, Officer or Member of the Corporation shall be personally liable to the Corporation or to any Member for loss or damage caused by any act or omission in such capacity, except for losses or damages caused by such party's fraudulent, willful or wanton conduct or misconduct, breach of the Bylaws or the Articles of Incorporation or gross negligence. The Corporation shall indemnify (only to the extent of Corporation assets without recourse to any Director, Officer or Member) any person who was or is a party or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding (other than an action by or on behalf of the Corporation), which action, suit or proceeding arises out of or relates to any claim, issue or matter involving or affecting the Corporation, by reason of the fact that such party is or was a Director, Officer or Member, an affiliate of a Director, Officer or Member, or an officer, shareholder, director, employee, partner, agent or advisor of a Director, Officer or Member or an affiliate of any Director, Officer or Member, or is or was serving at the request of the Corporation as an officer, shareholder, director, employee, agent, or advisor of another partnership, corporation, joint venture, trust or other enterprise, against all expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred by such party in connection with such action, suit or proceeding, so long as such party acted in good faith in a manner reasonable believed to be in or not opposed to the best interests of the Corporation; *provided*, that no indemnification shall be made in respect of any claim, issue or matter as to which a party has been adjudged to be liable for fraudulent, willful, or wanton conduct or misconduct, breach of these Bylaws or the Articles of Incorporation, or gross negligence, or with respect to any criminal action or proceeding.

6.03. Insurance. The Corporation may maintain insurance on behalf of any person who is or was a Director or Officer or the shareholder, employee, partner, agent, or advisor of a Director or Officer for a liability asserted against it and incurred by such party in any

such capacity or arising out of such party's status as such, whether or not the Corporation would have the power to indemnify and defend such party against such liability under Section 6.02.

#### 6.04 Indemnification.

Section A : Indemnification: (a) The Corporation shall indemnify any individual who served as an Officer or Director of the Corporation to the extent the Officer or Director was successful, on the merits or otherwise, in the defense of any proceeding to which the Officer or Director was a party because the Officer or Director is or was an Officer or Director of the Corporation against reasonable expenses (including reasonable attorney's fees) incurred by the Officer or Director in connection with the proceeding.

(b) Except as otherwise provided in these Bylaws, the Corporation shall, without requiring any further authorization by the Board of Directors, also indemnify an Officer or Director who is a party to a proceeding because he or she is or was an Officer or Director against liability incurred in the proceeding if the individual:

(1) Acted in good faith;

(2) Reasonably believed:

(A) In the case of conduct in an official capacity, that the conduct was in the best interests of the Corporation; and

(B) In all other cases, that the individual's conduct was at least not opposed to the best interests of the Corporation;

(3) In the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful; and

(4) In the case of an employee benefit plan, reasonably believed such actions to be in the interests of the participants in and the beneficiaries of the plan.

(c) The Corporation shall have the right to select attorneys and to approve any legal expenses incurred in connection with any suit, action, or proceeding to which this indemnification applies. Unless the Corporation waives such right, the Corporation shall not be required to indemnify any Director or Officer for expenses of counsel not selected by the Corporation.

(d) The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of "no contest" or its equivalent is not, in itself, determinative that the Officer or Director did not meet the standard of conduct contained in this Section B.

(e) Unless ordered by a court of competent jurisdiction, the Corporation may not indemnify an Officer or Director:

(1) In connection with a proceeding by or in the right of the Corporation, except that the

Corporation may indemnify the Officer or Director for reasonable expenses (including reasonable attorneys' fees) incurred in connection with the proceeding if it is determined that the Officer or Director met the relevant standard of conduct under Section B; or

- (2) In connection with any proceeding with respect to conduct for which the Officer or Director was adjudged liable on the basis that the Officer or Director received a financial benefit to which the Officer or Director was not entitled, whether or not it involved any action in the individual's official capacity.

Section B. Advance for Expenses. The Corporation shall, before final disposition of a proceeding and without requiring any further authorization by the Board of Directors, advance funds to pay for or reimburse the reasonable expenses (including reasonable attorney fees) incurred by an individual who is a party to a proceeding because he or she was an Officer or Director if the individual delivers to the Corporation (1) a written statement signed by the individual setting forth his or her good faith belief that he or she has met the relevant standard of conduct described in these Bylaws and the Nonprofit Act; and (2) an undertaking in the form of an unlimited general obligation to repay any funds advanced if the individual is not entitled to indemnification under these Bylaws or mandatory indemnification under the Corporation Act.

Section C. Determination of Indemnification. (a) The Corporation may not indemnify an Officer or Director under Section A unless the Board of Directors determines, in accordance with Section B, that indemnification of the Officer or Director is permissible because he or she has met the relevant standard of conduct in these Bylaws and the Nonprofit Act, and is not in breach of the BID instruments.

(b) The determination shall be made:

- (1) If there are two or more disinterested Directors, by a majority vote of all the disinterested Directors, a majority of whom will constitute a quorum for that purpose, or by a majority of the members of a committee of two or more disinterested Directors appointed by such a vote; or
- (2) By special legal counsel:
  - (A) Selected in the manner prescribed in paragraph (1); or
  - (B) If there are fewer than two disinterested Directors, selected by the Board of Directors, in which selection directors who do not qualify as disinterested directors may participate.

(c) With respect to any matter disposed of by a settlement or compromise payment by such person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such settlement or compromise payment is approved by (1) a majority vote of the disinterested Directors, a majority of whom will constitute a quorum for that purpose, (2) by a majority of the members of a committee of two or more disinterested Directors appointed by such a vote; (3) if there are fewer than two disinterested Directors, by the Board, in which case Directors who do not qualify as disinterested Directors may participate; provided that special legal counsel selected in the manner prescribed in Subsection (2)(b), above, determines that indemnification is permissible because the officer or

director has met the relevant standard of conduct in the Bylaws and the Nonprofit Code; or (4) by a court of competent jurisdiction.

(d) For purposes of this Article, a “disinterested Director” shall mean a Director who, at the time of a vote referred to in this Article VIII, is not:

- (1) A party to the proceeding; or
- (2) An individual having a familial, financial, professional, or employment relationship with the Director whose indemnification or advance for expenses is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on the Director’s judgment when voting on the decision being made.

(e) For purposes of this Article, a “Director” or “Officer” shall mean an individual who is or was a Director or Officer of the Corporation or who, while a Director or Officer of the Corporation, is or was serving at the Corporation’s request as a Director, Officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other entity. Unless the context requires otherwise, an Officer or Director shall also include the estate or personal representative of a Director or Officer.

Section D. The indemnification provided by these Bylaws shall not be deemed exclusive of any other rights which are provided under any agreement, vote of the Board of Directors or otherwise.

Section E. Every provision of this Article VI is intended to be severable, and if any term or provision is invalid for any reason whatsoever, such invalidity shall not affect the validity of the remainder of this Article VI.

## ARTICLE VII. FINANCIAL MATTERS

7.01. Fiscal Year. The fiscal year of the Corporation shall consist of the twelve month period commencing on October 1 of each year and terminating on September 30 of such year unless otherwise determined by the Board of Directors in accordance with the BID Act. The Corporation's first fiscal year shall commence upon the filing of its Articles of Incorporation and end on September 30 of the year in which filed.

7.02. Adoption of Budget. Pursuant to Section 12(e) of the BID Act, upon registration of the BID and no later than September 15 of each succeeding fiscal year, the Board of Directors shall adopt, and deliver to all Members by first class mail or personal delivery or as otherwise permitted by the BID Act, an Annual Budget setting forth the Board of Director's then current projections of revenues and expenses for the ensuing fiscal year, together with such reserves for contingencies or BID activities as the Board of Directors from time to time deems appropriate. The Board of Directors shall update any budget if, when and as the Board of Directors receives information requiring a material change to such budget (as the same may have

been previously updated), and any such update shall constitute a supplement to such budget and shall be mailed or delivered to the Members as provided above. For purposes of the foregoing, as provided in Section 12(e) of the BID Act, a material change is a change where a major programmatic activity not anticipated in a previously approved plan is undertaken or which involves a reallocation of more than 10% of the anticipated revenues in a fiscal year. The Annual Budget and supplements shall not require the prior approval of Members and each Annual Budget and supplement shall be effective upon delivery to the Members or such later date as may be set forth in such budget or supplement. For the purposes of this Section, budgets and budget supplements shall be deemed delivered to Members three (3) days after being deposited in the United States Mail with first class postage prepaid, or if personally delivered, when delivered or when delivery is refused or cannot be effected because of the absence of a recipient at a Member's property address during normal business hours on business days.

7.03. Reserves. The Board of Directors may build up and maintain reasonable reserves for working capital, general operations, contingencies or other matters. Reserves may be kept in a separate bank account(s) and shall be segregated from general operating funds, and, if the Board of Directors shall deem it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in any annual budget, or in any update or supplement which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority of the Board of Directors.

7.04 Special Charges. If any special capital improvement or service of a nature above the level of improvements or services provided generally by the BID shall be requested by any Owner(s) and approved by a majority vote of disinterested Directors, such special capital improvement or service shall be specially charged to such Owners(s) in proportion to each Owner's obligation to pay BID taxes or otherwise in accordance with such reasonable terms as the Board of Directors from time to time may determine in order to reflect the benefit received by such Owner(s) from such special capital improvement or service, and such special charge (the "Special Charge") may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such special charge on all affected Owner(s) by a statement in writing setting forth the amount of such special charge and specifying the payment terms thereof. Such Special Charge shall constitute the personal obligation of the Owner(s) involved, shall be payable directly to the BID, may be deposited directly into any bank account established by the BID for such purpose, and shall not constitute a BID tax. In addition, in accordance with Section 16(e) of the BID Act, a BID shall have a lien on any BID Property on which a capital improvement is made, and such lien shall be enforced and shall have the same priority as a mechanics lien.

7.05. Collection of BID Taxes and Special Charges. The Board of Directors, or the Managing Agent or Executive Director at the request of the Board of Directors, shall take prompt action to collect any BID taxes due from any Owner which remain delinquent for more than 120 days from the due date for payment thereof and to collect any special charges (or



installments thereof) payable under Section 7.04 hereof which remain delinquent for more than 30 days from the due date for payment thereof.

7.06. Accounts. Except as otherwise provided in this Article, all sums collected by the Board of Directors with respect to BID Taxes and special charges may be commingled into a single fund.

7.07. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer in accordance with federal tax practices consistently applied. Such books and accounts shall detail, in chronological order, the receipts and expenditures of administration and operation of the Corporation and the BID.

7.08. Inspection of Books.

(a) Subject to Sections 7.08(b) and (c) of these Bylaws, the books and accounts of the Corporation, together with a current copy of the Articles of Incorporation and these Bylaws, the minutes of all Member Meetings and Board Meetings, and all other records identified in Section 29-413.01(a) of the Corporation Act, shall be available for examination and duplication by the Members and contract purchasers and prospective commercial tenants, and/or their duly authorized agents or attorneys, and to the Mayor, the CFO and the District of Columbia Council (the "Council"), and/or their duly authorized agents or attorneys, at convenient hours on business days that shall be set and announced for general knowledge and after reasonable prior written or oral request, and, upon request, any Member, the Mayor, the CFO or the Council shall be provided with a copy of the records of the Corporation.

(b) Members and contract purchasers of non-exempt real property and prospective commercial tenants, and/or their duly authorized agents or attorneys, shall be entitled to inspect and copy any of the documents identified in Section 29-413.02(b) of the Corporation Act on working days that shall be set and announced for general knowledge and after reasonable prior written at least five business days before the date on which the member wishes to inspect and copy, provided that the Member's demand is made in good faith and for a proper purpose; the member describes with reasonable particularity the purpose and the records the member desires to inspect; and the records are directly connected with this purpose.

(c) Anything above or elsewhere in these Bylaws to the contrary withstanding, the books and records of the Corporation may be withheld from examination or copying by Members or others to the extent they concern (i) personnel matters, (ii) communications with legal counsel or attorney work product; (iii) transactions currently in negotiation or agreements containing confidentiality requirements; (iv) pending litigation; (v) pending matters involving formal proceedings for enforcement of the Articles of Incorporation, these Bylaws or any rules and regulations promulgated pursuant to these Bylaws; or (vi) disclosure of information in violation of law.

(d) The Corporation may impose and collect a charge, reflecting its actual costs of materials and labor, prior to providing copies of any books or records to Members.

7.09. Audit. All books and records of the Corporation shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a Member or an affiliate of a Member, and who shall be a Certified Public Accountant.

## ARTICLE VIII. BID ACTIVITIES

8.01. General. The BID Act defines a "BID activity" as "a special service or activity conducted in a Business Improvement District designed to improve the economic development climate in the area pursuant to the BID Act, and which is designed and conducted so as to avoid any material adverse impact on adjoining residential neighborhoods and is otherwise in accordance with all applicable laws, regulations, and requirements of the District of Columbia and the United States, which services and activities may augment, but which may not replace governmental services customarily provided in the regular course of the District's operations." BID activities, as provided by the BID Act may include the planning, administration and management of activities designed to provide economic stimulus, stability or benefit to the BID, including the following activities:

- (a) Seasonal promotions such as festivals and special displays;
- (b) enhanced maintenance and improvements to public space;
- (c) marketing and procurement activities in support of tourism, job creation, business attraction, development, efficiency and retention;
- (d) retail, restaurant and arts promotions;
- (e) services to improve public safety and transportation, (e.g. providing shuttle buses, community service representatives and private security services);
- (f) development of special signage and storefront and commercial building facade improvement programs; and
- (g) other services and activities consistent with the BID Act and the BID's business plan (as amended from time to time in accordance with the BID Act).

8.02. Scope of Activities. The type, number and scope of BID activities to be undertaken at any time by the Corporation shall be determined by the Board of Directors in accordance with these Bylaws. Once undertaken, a BID activity may only be discontinued prior to completion in accordance with the Policies and Procedures.

8.03. Cooperation. Each Member shall cooperate with the Corporation and its Directors, Officers, employees, agents and independent contractors in the performance of any BID activity undertaken by the Corporation pursuant to this Article and the BID Act.

8.04. Signage and Facade Programs. If at any time the Corporation undertakes as a BID activity the development of special signage and/or storefront and/or commercial building facade improvement programs, each Member hereby agrees to cooperate with and allow the installation of any signage or facade improvement adopted pursuant to such BID activity, *provided* that no Member shall be required to expend any of its funds (other than for payment of BID taxes pursuant to these Bylaws) with respect to any such signage or facade improvement, nor shall any such signage or facade improvement alter or obstruct the identifying logo or name of any Member on its property or leased premises.

8.05. Graffiti Removal. If at any time the Corporation undertakes as a BID activity the removal of graffiti, each Member hereby agrees to allow the Corporation or its duly authorized employees, agents and/or independent contractors to enter upon such Member's property or leased premises for such purpose, at all reasonable times and upon reasonable notice, and membership in the Corporation automatically shall constitute a waiver by a Member of any claims for damages resulting from such graffiti removal, except for damages resulting from the gross negligence or willful misconduct of the party or parties conducting such removal.

8.06 Policies and Procedures. Policies and Procedures concerning BID activities undertaken by the Corporation may be promulgated, amended and/or repealed by the Board of Directors, *provided* that such Policies and Procedures are not contrary to or inconsistent with the BID Act, Corporation Act or these Bylaws. Copies of all Policies and Procedures shall be furnished by the Board of Directors to each Member prior to the time when the same shall become effective. The Policies and Procedures shall be reviewed in accordance with the terms therein.

## ARTICLE IX. INSURANCE

### 9.01. General Authority; Requirements.

(a) All policies of insurance relating to the Corporation shall be obtained by the Board of Directors or the Managing Agent or Executive Director on behalf of the Corporation. Neither the Board of Directors nor the Managing Agent or Executive Director shall be liable for any failure to obtain any coverage required to be obtained by this Article if such coverage shall have been unavailable upon reasonable inquiry and investigation or available only at unreasonable cost.

(b) Each policy of insurance purchased pursuant to this Article shall provide to the fullest extent applicable as follows:

(1) the named insured under such policies shall be the Corporation, its Directors, Officers and Members, the Managing Agent or Executive Director, if any, and their authorized representatives, as their interests may appear;

(2) in no event shall any such insurance be brought into contribution with insurance purchased by Members;

(3) the insurer waives (i) any right to claim by way of subrogation, and (ii) any defense based upon co-insurance or upon any invalidity arising from the acts of the insured;

(4) such policy shall not be canceled, invalidated or suspended due to the act or omission of any Member and/or his, her or its invitees, agents and employees or of any member, officer, employee or agent of the Board of Directors or the Managing Agent or Executive Director;

(5) such policy may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior notice to the Board of Directors and the Managing Agent or Executive Director, and to all parties whom certificates, sub-policies or endorsements have been issued; and

(6) any "no other insurance" claim contained in the master policies shall expressly exclude individual Member policies from its operation.

(c) All policies of insurance shall be written by companies with a financial rating of Class A-VIII or better under Best's Rating Guide (or any comparable rating under a revised rating guide).

9.02. Liability Insurance. The Board of Directors or the Managing Agent or Executive Director shall obtain and maintain comprehensive general public liability and property damage insurance in such limits as the Board of Directors from time to time may determine in accordance with this Section, insuring each Director, the Officers, the Managing Agent or Executive Director, and the Corporation against any liability to the public or to the Members (and their invitees, agents and employees) arising out of, or incident to the Corporation's activities, including any legal liability that results from lawsuits related to employment contracts to which the Corporation is a party. Such insurance shall be issued on a comprehensive liability basis and shall contain: (a) libel, slander, false arrest and other personal injury offenses coverage; (b) medical payments coverage; (c) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to such insured's action against another named insured; (d) hired and non-owned vehicle coverage; (e) host liquor liability coverage with respect to events sponsored by the Corporation; (f) property of others coverage; (g) broad form property damage coverage; and (h) a severability of interest endorsement which shall preclude the insurer from denying liability to a named insured because of the negligent acts of any other named insured. The Board of Directors shall review such limits once each year, but in no event shall such insurance be written in an amount less than Two Million Dollars (\$2,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of umbrella liability insurance in excess of primary limits in the discretion of the Board of Directors also may be obtained.

9.03. Other Insurance. The Board of Directors also shall obtain and maintain:

(a) Directors and Officers liability coverage and fidelity bond coverage to protect against wrongful and dishonest acts on the part of the Officers, Directors, employees and other agents of the Corporation, including the Managing Agent or Executive Director, who either handle or are responsible for handling the funds held or administered by the Corporation. Fidelity bonds shall (i) name the Corporation as an obligee; (ii) be written in such amounts as from time to time shall be determined by the Board of Directors; (iii) contain waivers of any defense based upon the exclusion for persons who serve without compensation from any definition of "employee" or similar expression; and (iv) include provision for ten (10) days' written notice to the Corporation before the bond can be canceled or substantially modified;

(b) Worker's compensation insurance if and to the extent necessary to meet the requirements of law.

(c) Such other insurance as the Board of Directors may determine, or as may be requested from time to time by a majority of the votes of the Members.

9.04. Board of Directors as Agent. The Board of Directors hereby irrevocably is appointed as the agent of the Corporation and its Members, Directors and Officers to adjust and settle all claims arising under insurance policies maintained by the Board of Directors and to execute and deliver releases upon the payment of claims.

## ARTICLE X. COMPLIANCE AND DEFAULT

10.01. Governance. The Corporation, and its Board of Directors, Officers and Members shall be governed by and shall comply with the provisions of the BID Act, the Corporation Act, the Articles of Incorporation, these Bylaws and the rules and regulations adopted pursuant to these Bylaws, as any of the same may be amended from time to time. A default by any party subject to the foregoing shall entitle the Corporation or, to the extent provided in Section 10.04, an aggrieved Member, to the relief provided in this Article.

10.02. BID Taxes. The following Sections of the BID Act in effect as of the date of adoption of these Bylaws are summarized as a matter of disclosure to all Members. Reference is made to the cited Sections themselves for the complete text provision.

(a) Section 15(e) of the BID Act provides that BID taxes shall be payable in advance, in six (6) month increments, and are due and payable, semiannually, on or before March 31 and September 15 of each year, except that a short BID tax period from the date of registration of a BID to the next regularly scheduled BID tax installment may be billed and collected.

(b) Section 15(f) of the BID Act imposes a ten percent (10%) penalty and interest at the rate of one and one-half percent (1½%) per month on the amount of any unpaid BID tax.

(c) Section 15(g) of the BID Act provides for the tax sale of any BID Property for which any BID tax remains unpaid in excess of sixty (60) days.

(d) Section 17 of the BID Act authorizes the Corporation, through legal counsel, to file suit in the Superior Court of the District of Columbia against any Owner with delinquent BID taxes in excess of 120 days. Such suit may seek penalties and interest owed to the District of Columbia under Section 15(f) of the BID Act and the BID's reasonable attorney fees in addition to delinquent BID taxes. A BID obtaining judgment in any such action shall have the authority to execute on such judgment in the name of the District of Columbia using any method of execution authorized by law, including, without limitation, the authority to record such judgment with the Recorder of Deeds, file a creditor's bill to seek real estate, seek any writ of attachment, *feri facias*, *distringas*, or replevin, and seek condemnation under writs. No action under Section 17 of the BID Act shall be construed as a bar to action under Section 16(g) thereof.

#### 10.03. Remedies; Other Matters.

(a) In the event disputes arise with respect to the assessment of any special charge under Section 7.04 of these Bylaws or any activity conducted by the BID, such disputes shall be resolved through mediation, or, if mediation is unsuccessful, arbitration in accordance with the rules then obtaining of the American Arbitration Association or such other reputable organization as is generally recognized as providing arbitration services by the moving party in each instance. Any party to such arbitration shall have the right to initiate judicial proceedings to enforce any award or decision made pursuant to arbitration, but no person shall be authorized to institute judicial proceedings with respect to the matters referred to in this paragraph, except to enforce an arbitration award. Members, residents of a residential neighborhood adjoining a BID (as defined in Section 2(1) of the BID Act) and citizens associations covering an area in which a BID is located shall be entitled to seek relief under this Section.

(b) Disputes relating to the Corporation or BID with respect to matters not specifically limited in this Section 10.03 or in the BID Act may be resolved, in the discretion of the aggrieved party, through mediation, arbitration or judicial or equitable proceedings, including, without limitation, actions for specific performance and/or injunctive relief, but nothing herein shall be deemed to give any person or entity, other than the Corporation, its Directors, Officers or Members, any standing to bring or institute any such action or proceeding.

10.04. No Waiver of Rights. The failure of any party to enforce any right, provision, covenant or condition which may be granted by the BID Act or these Bylaws shall not constitute a waiver of the right of such party to enforce such right, provision, covenant or condition in the future. Except as specifically precluded by the BID Act, all rights, remedies and privileges granted or allowed pursuant to any term, provision, covenant or condition of the BID Act or these Bylaws shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such rights as may be granted to such party by the BID Act or these Bylaws.

## ARTICLE XI. CERTIFICATES; NOTICE; SEAL

11.01 Membership Certificates. No membership certificates of the Corporation shall be issued.

11.02 Members of Record.

(a) As a part of the BID registration process, the Board of Directors, as BID applicant, shall identify all Owners and, to the extent reasonably ascertainable, all Commercial Tenants within the BID Boundaries. Such lists shall comprise the initial membership list of the Corporation.

(b) From and after the registration of the BID, it shall be the obligation of each Owner, each Commercial Tenant and each Exempt Owner, to notify the Secretary of the Corporation in writing whenever such party acquires, leases, disposes of or ceases to lease any non-exempt property within the BID Boundaries, or with respect to an Exempt Owner, elects, or withdraws an election to elect to pay BID taxes. In the absence of such written notice, a Member or non-Member shall conclusively be deemed to have the status last known to the Corporation.

11.03. Seal. The Corporation shall adopt a seal which shall have inscribed thereon the name of the Corporation, the year of incorporation, the words "Corporate Seal," and "a Non Profit District of Columbia Corporation."

## ARTICLE XII. AMENDMENTS

12.01. General. These Bylaws, the registered BID plan and BID taxes authorized under the BID Act from time to time may be amended only with the affirmative vote of two-thirds (2/3) of the Directors present at duly convened Board Meetings at which a quorum shall have been obtained, and the ratification by a majority of the votes of Members present, in person or by proxy, at a duly convened Member Meetings at which a quorum shall have been obtained; *provided*, that any amendment of the registered BID plan shall be subject to the filing and certification provisions of Section 8 of the Bid Act, and *provided, further*, that BID taxes may only be amended once annually. All amendments to these Bylaws, the registered BID plan or the BID taxes shall comply with the BID Act and any regulations adopted pursuant thereto.

## ARTICLE XIII. MISCELLANEOUS

13.01. Invalidity. The invalidity of any portion of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws, all of which shall be severable.

13.02. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

13.03. Governing Law. These Bylaws shall be governed by the laws of the District of Columbia and the United States of America applicable thereto.



\* \* \* \* \*

1. Adopted by the Board of Directors at a Board Meeting held on \_\_\_\_\_, \_\_\_  
by a vote of \_\_\_\_\_ to \_\_\_\_\_ and thereafter amended by Vote of the Board of  
Directors on \_\_\_\_\_
  
2. Approved by a vote of the Members at a Member Meeting held on \_\_\_\_\_,  
\_\_\_, by a vote of \_\_\_\_\_ to \_\_\_\_\_ and thereafter amended by Vote of the  
Members on \_\_\_\_\_.

\_\_\_\_\_  
Secretary

[Corporate Seal]

## **Schedule I Defined Terms**

- “ANC” shall have the meaning set forth in Section 4.01(b).
- “Annual Budget” shall have the meaning set forth in Section 4.06(b).
- “Annual Meeting” shall have the meaning set forth in Section 3.03.
- “Appointed Director” shall have the meaning set forth in Section 4.01(b).
- “Assistant Secretary” shall have the meaning set forth in Section 5.01(d).
- “Assistant Treasurer” shall have the meaning set forth in Section 5.01(f).
- “Articles of Incorporation” shall mean the articles of incorporation for the Corporation.
- “BID” shall mean the Georgetown Business Improvement District as defined in Section 53 of the BID Act.
- “BID Act” shall have the meaning set forth in Section 1.01.
- “BID activity” shall have the meaning set forth in Section 8.01.
- “BID Boundaries” shall have the meaning set forth in Section 3.02.
- “BID Property” shall have the meaning set forth in Section 3.11(b).
- “BID Staff” shall have the meaning set forth in Section 4.07(b).
- “Board of Directors” shall have the meaning set forth in Section 4.10(a).
- “Board Meeting” shall have the meaning set forth in Section 4.13.
- “Business day” shall mean weekdays that are not federal holidays.
- “Bylaws” shall have the meaning set forth in Section 1.02.
- “CAG” shall have the meaning set forth in Section 4.01(b).
- “Chair” shall have the meaning set forth in Section 4.22(a).
- “CFO” shall have the meaning set forth in Section 4.06(e).
- “Class A Director” shall have the meaning set forth in Section 4.01(a).
- “Class A Member” shall have the meaning set forth in Section 3.02(a).
- “Class B Director” shall have the meaning set forth in Section 4.01(a).
- “Class B Member” shall have the meaning set forth in Section 3.02(b).
- “Commercial Tenants” shall have the meaning set forth in Section 3.02.
- “Corporation” shall have the meaning set forth in Section 1.01.
- “Corporation Act” shall have the meaning set forth in Section 1.01.
- “Council” shall have the meaning set forth in Section 7.08(a).
- “Director” shall have the meaning set forth in Section 4.01.
- “Embassy Community” shall have the meaning set forth in Section 4.01(b).

“Executive Committee” shall have the meaning set forth in Section 4.22(a).

“Executive Committee Chair” shall have the meaning set forth in Section 4.22(a).

“Executive Committee Meeting” shall have the meaning set forth in Section 4.22(c).

“Executive Director” shall have the meaning set forth in Section 4.07(a).

“Exempt Owners” shall have the meaning set forth in Section 3.02.

“Full Board Action” shall have the meaning set forth in Section 4.22(b).

“GBA” shall have the meaning set forth in Section 4.01(b).

“Initial Notice” shall have the meaning set forth in Section 4.14(b).

“Inspector of Election” shall have the meaning set forth in Section 3.10.

“Managing Agent” shall have the meaning set forth in Section 4.07(a).

“Member Meeting” shall have the meaning set forth in Section 3.04.

“Member” shall have the meaning set forth in Section 3.02.

“Minute Book” shall have the meaning set forth in Section 3.09.

“Nominating Committee” shall have the meaning set forth in Section 4.02(a).

“Nominating Committee Chair” shall have the meaning set forth in Section 4.02(a).

“Officer” shall have the meaning set forth in Section 5.01.

“Organization Meeting” shall have the meaning set forth in Section 4.11.

“Owners” shall have the meaning set forth in Section 3.02.

“Policies and Procedures” shall have the meaning set forth in Section 8.06.

“Chair” shall have the meaning set forth in Section 5.01(a).

“Regular Meeting” shall have the meaning set forth in Section 4.12.

“Secretary” shall have the meaning set forth in Section 5.01(c).

“Special Board Meeting” shall have the meaning set forth in Section 4.13.

“Special Charge” shall have the meaning set forth in Section 7.04.

“Special Member Meeting” shall have the meaning set forth in Section 3.04.

“Treasurer” shall have the meaning set forth in Section 5.01(e).

“Vice Chair” shall have the meaning set forth in Section 5.01(b).