

INNER SUNSET MERCHANTS ASSOCIATION, INCORPORATED BYLAWS

Adopted: February 8, 1928 / Revised: June 2010

ARTICLE I: Purpose

The purpose of the Inner Sunset Merchants Association is to facilitate unity of action among the merchants in the Inner Sunset District, San Francisco, in order to protect, promote and preserve the business conditions within the Inner Sunset Neighborhood Commercial District. The Inner Sunset is defined as that area inside the following boundaries: from Arguello Blvd. west to 19th Avenue, and from Fulton Street south to Moraga Street in San Francisco.

ARTICLE II: Corporate Powers

All corporate powers shall be vested in the Board of Directors, which shall be composed of the elected officers and board members, of the Inner Sunset Merchants Association (ISMA).

ARTICLE III: Seal

The ISMA shall have as its seal a circle, having on its circumference, "The Inner Sunset Merchants Association, Incorporated February 8, 1928 in the State of California".

ARTICLE IV: Location of Offices

The Inner Sunset Merchants Association shall maintain its principle office in the Inner Sunset District in the City and County of San Francisco, California.

Mailing Address: Inner Sunset Merchants Association
1032 Irving Street, Suite 711
San Francisco, CA 94122

ARTICLE V: The Board of Directors

1. Members:

The Board of Directors of the Inner Sunset Merchants Association shall consist of the following five elected officers: President, VP Communications, VP Membership, Secretary, and Treasurer, the following elected board position: Events Coordinator and the Immediate Past President. Each of these elected officers and board members shall have one (1) vote on the ISMA Board. No one may hold more than one office at the same time.

2. Powers:

The Board shall have power to conduct, manage and control the affairs and business of the ISMA, subject to the right of the members as enumerated below.

All actions of the Board shall be done with a majority vote of the Board (four votes).

The Board may delegate the management of the activities of the ISMA to any person or persons, Management Company, or committees, provided that the ISMA shall be managed and all powers shall be exercised under the ultimate direction of the Board. The Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- a. To conduct, manage and control the affairs of the ISMA;
- b. To formulate and present an annual budget for approval by the ISMA at the annual membership meeting in March.
 - (i) At a minimum, a budget should include the usual annual operating costs associated with running the Association and any special projects being considered. Usual operating costs include the cost of meetings, Association newsletters, holiday decorations and any other repetitive expense.
 - (ii) Upon adoption of these Bylaws and annually thereafter as part of the budget process, the members shall approve proposed special projects and define a specific dollar amount for special project expenditures.
- c. To borrow money or incur indebtedness consistent with the approved budget.
- d. To select and remove all appointed officers and board members, agents, and employees of the Association, prescribe powers and duties for them as is consistent with law, the Articles of Incorporation, or these Bylaws, and fix their compensation.
- e. To adopt, make, and use a corporate seal and to make available online a list of all current members, and a membership information that includes the Association Bylaws.
- f. To carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage.

3. Nominations and Elections of the Board:

There shall be a January general membership meeting. Nominations for the six elected Board positions shall be made at this January general membership meeting. A member need not be physically present to be nominated for a position. The Secretary shall record all nominations.

A ballot shall be emailed (if requested can be mailed) to each member in good standing (see below). The ballot shall have on it a list of the nominees for each office. Included in the ballot package shall be an explanation of the election process, and each nominee shall write a brief statement, not to exceed 100 words.

The ballot shall be sent to the general membership not later than February 12. The printed ballots must be returned not later than February 28 to the Secretary, and counted by two Board

appointed ISMA members and the current Board of Directors at a Board meeting, (note: due to a possible conflict of interest any person(s) that have been nominated will not participate in the vote count) with the results announced not later than March 12. The new members of the Board will be installed at the June membership meeting.

4. Terms of Office:

All terms of office shall begin at the annual general membership meeting in March and end one year later. All elected officer and board positions have a limitation of two years served consecutively; eligibility for re-election becomes available after one year is served as a non board member.

5. Quorum:

A majority of the Directors (four) shall constitute a quorum for the transaction of business. If meeting with the minimum number of directors present to constitute a quorum, all must agree for vote to pass. Any meeting of the Board with less than four members of the Board present must adjourn.

6. Vacancies and Resignation:

The call for the removal of an officer or elected board member may be initiated by a dated petition signed by not less than 35% of the general membership. Any officer shall be removed from office by a two thirds (2/3) majority vote of the membership by ballot. The general election procedures shall be followed. Any officer may resign at any time. Upon the death, resignation, or removal of any officer, the Board shall elect a temporary replacement for the remainder of the term. At the next general membership meeting, nominations shall be taken from the floor, a physical vote taken with the majority vote electing the new officer.

7. Inspection of Records:

Every Director and every member shall have an absolute right to inspect all of the records of the ISMA, including minutes of all meetings, and all financial records.

8. Committees:

The President, with majority consent of the Board at Board meeting, shall appoint all committees and committee chairs.

Committees work under the supervision and approval of elected officers. Communications to membership and recommendations made by committees need board approval to move forward.

All committee plans of action; marketing materials; press releases; communications to the ISMA members, neighborhood and city; and budgets for financial expenditures need to be approved by the board prior to execution.

ARTICLE VI: Duties of the Officers

The Officers are the Board of Directors of the ISMA. Their duties are as follows:

1. President:

The President is the general manager and chief executive officer of the ISMA and has, subject to the control of the Board, general supervision of the activities of the ISMA. The President shall preside over all meetings of the members and all meetings of the Board, and shall exercise all such powers as are customary in such an office.

2. VP Communications:

In the absence of the President, the Vice President Communications shall preside over all meetings, and assume the powers of the President during that period of time, and shall have other duties as may be assigned by the President and the Board. The key responsibility in this board position is to facilitate approved communications between the ISMA board and the ISMA membership; shall send out notices of all meetings to the Board and to the members; shall send out all correspondence related to elections.

3. VP Membership:

The VP Membership board position is responsible for seeking nominations to prepare and inform for the general election; recruiting new members through annual membership drive (11/1-12/31); collecting annual membership dues.

4. Secretary:

The Secretary shall keep minutes of all proceedings of the Board and of the proceedings of all general meetings of the members, and shall keep a file of all minutes of all meetings of all ISMA committees; shall keep the seal of the ISMA and affix the seal to such documents as may be required; and shall handle all ISMA correspondence. Collaborates with VP Communications for distribution of minutes, notices, etc.

5. Treasurer:

The Treasurer shall receive and safely deposit all funds of the ISMA in a bank or other financial institution, as may be designated by a majority vote of the Board; supervise the collection of dues; pay all bills; and prepare an annual budget for approval by the members at the June membership meeting.

The Treasurer shall report the financial status of the ISMA at each Membership meeting (either in person or by written report), and shall ensure that all necessary tax forms, reports and tax returns required by any governmental agency are filed in a timely manner.

By a majority vote of the Board, the ISMA may hire an accountant to prepare, file and process all necessary forms, returns and reports; the activities of the accountant shall be supervised by

the Treasurer.

5. Immediate Past President:

The Immediate Past President (as available) shall perform such duties and tasks as may be requested by the President, and shall assist the ISMA by providing leadership continuity.

ARTICLE VII: Meetings of the Board

1. Meetings:

Generally speaking there shall be a Board meeting once a month, the fourth Thursday of each month, to be held at 7:00 P.M. at the County Fair Building in the City and County of San Francisco.

2. Special Meetings:

Special meetings of the Board may be called by the President, by any two Directors, or by a majority vote of the members who are present at a general membership meeting. Special meetings must have a quorum.

3. Members' Rights:

General members shall be informed of the time and place of all Board meetings, and have the right to attend any Board meeting. They cannot vote, and may or may not be given the floor to express their point of view, as the President may rule.

ARTICLE VIII: General Membership

Membership Categories:

- a. Voting Members: Voting Members are those members who have paid their dues and are current in any obligations incurred as a condition of membership, including owning or operating a business within the prescribed boundaries of the Association. Voting members may hold office.

- b. Associate (Non-Voting) Members: Sustaining Non-voting Membership shall be available to: spouses, family and friends of voting members; retired business people; and former voting members who have moved to another area but wish to keep their membership benefits. Dues for Sustaining Membership are \$25 a year. Non-voting members may not hold any office.

- c. Honorary Members: Honorary members are those members who are nominated and elected to that status at a general membership meeting. Honorary members

no longer pay dues but are able to vote and may hold office. Requirements for honorary membership include being a member in good standing for at least five of the ten preceding years.

2. Good Standing, Suspension, and Revocation:

A member is in good standing if the member's account is current with respect to payment of fees, dues or assessments owed to the Association and is in compliance with the Association's Bylaws.

Any member who shall be in arrears in the payment of any installment of fees, periodic dues, or assessments more than thirty (30) calendar days after their due date shall not be in Good Standing and shall automatically be suspended from all rights and privileges of membership, including, but not limited to, the right to vote.

A membership which has been suspended and there is a failure to apply for reinstatement within sixty (60) calendar days after such suspension by paying any and all past due amounts owed, shall be terminated from membership by the Board without further action.

3. Dues:

Recommendations for dues amounts are made by the Board to the general membership at the annual general membership meeting in June, at the same time that the annual budget is presented. The recommended dues amount must be discussed and can only be approved by a majority vote by the members present. Dues shall be payable in full annually during the period of 11/1-12/31 by all general members. Existing members will have a thirty (30) day grace period to retain membership rights.

Recommended dues for the membership year 2010 are \$100.00, prorated half year \$50.00.

4. General Membership Meetings:

There shall be at minimum three general membership meetings - in January, when nominations for the offices shall be made, in March for the annual membership meeting and the installation of the newly elected officers and in June for proposed budget approval.

5. Notice of Annual or Special Meetings:

Written notice of each general, annual or special meeting of members shall be given not less than ten (10) or more than ninety (90) calendar days before the date of the meeting to each voting member. With the exception of emergency meetings, all members shall be notified within three (3) days. Such notice shall state the place, date, and hour of the meeting. In the case of a special meeting, the general nature of the business to be transacted shall be described, and the fact that no other business may be transacted. In the case of the annual budget meeting in June, the agenda of action proposed by Board, including the proposed budget, shall be sent to the voting members.

6. Record Date:

To establish the list of voting members, the Board shall use the most recent Association membership roster. This roster shall be prepared and maintained by the Secretary. The record date for any purposes shall be first day of the month in which a notice of meeting or election is to be held. The membership list as of January 31 is the list of members eligible to vote, the membership drive is to be concluded by December 31 of previous year.

7. Voting by the Members at a Membership Meeting:

Voting by the voting members on an item of Association business shall be affirmed in the manner prescribed in Robert's Rules.

Unless a greater vote is required by law, by these Bylaws or by Robert's Rules, all items are affirmed by a majority vote of the voting members present at a meeting with a quorum.

8. Quorum:

The necessary quorum for the transaction of ISMA business at any membership meeting is the presence of 13 members with a majority vote ruling.

9. Adjourned Meetings:

Meetings of the voting members of the Association shall be adjourned by a majority vote of the Voting Members present.

10. Action by Written Ballot (By Mail):

Any action which may be taken at a regular or special meeting of members may be taken without a meeting if the written ballot of every voting member is solicited.

All solicitations of votes by written ballot shall:

- a. indicates the number of responses needed to meet the quorum requirement;
- b. with respect to ballots other than for an election of Directors, state the percentage of approval necessary to pass the measure or measures; and
- c. specify the time by which the ballot must be received in order to be counted.

Each ballot distributed shall

- a. set forth the proposed action;
- b. provide the members an opportunity to specify approval or disapproval of each proposal; and
- c. provides a reasonable time within which to return the ballot to the Association.

11. Proxies:

This Association shall not use proxies for any purpose.

ARTICLE IX: Conduct of Business

The rules contained in "Robert's Rules of Order" shall govern the ISMA in all cases in which they are applicable and in which they are not inconsistent with the foregoing By-laws and the Articles of Incorporation.

ARTICLE X: Adoption of Bylaws and Amendments

These Bylaws shall be emailed (unless requested by mail) to all voting members for their inspection. At a general membership meeting at least thirty (30) days later, adoption of these bylaws shall occur when approved by a two-thirds (2/3) vote of the voting members present.

Proposed amendments shall be mailed to each voting member, with a vote on the proposed amendment at a general membership meeting not sooner than sixty days later. A two-thirds vote of the voting members present must approve the proposed Bylaws change.

ARTICLE XI: Disposition of Property on Dissolution

This Association is organized pursuant to the general Non-Profit Corporation Law of the State of California and does not contemplate pecuniary gain or profit to the members thereof and it is organized for non-profit purposes. The property of the Association is irrevocably dedicated to non-profit purposes and no part of the net income or assets of this Association shall ever inure to the benefit of any Director or member thereof or to the benefit of any private persons.

On the dissolution or winding up of the Association, if assets are remaining after payment of, or provisions for payment of, all debts and liabilities of the Association, they shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for non-profit or charitable purposes and which has established its tax exempt status under Section 501(c) (6) of the Internal Revenue Code.

If the Association holds any assets in trust or for charitable purposes, on dissolution, such assets shall be disposed of in Superior Court of the County in which the property is located, on petition therefore by the Attorney General or by any person concerned in the liquidation, in a proceeding to which the Attorney General is a party. In the event that it becomes impractical to carry out the dissolution and dedication by following the foregoing sentence, the property of this Association shall be irrevocably dedicated, granted and distributed to a charitable organization that collects funds from the community for distribution to charitable and other educational efforts.

ARTICLE XII: Political Activity

Neither the Association nor the Officers of the Association representing the Association shall support or oppose the selection, nomination or election of a candidate for public office.