



Meeting Agenda

Downtown Action Organization
Board of Directors

Date:
January 21, 2026, 9am

Location:
Hotel E
37 Old Courthouse Square
Santa Rosa, CA 95404

1.0 CALL TO ORDER

Attachment 1

Chair Pauline Block will call the meeting to order at 9:15am.

2.0 PUBLIC COMMENTS ON NON AGENDA ITEMS

Any public requests for future agenda items or comments not related to the agenda are allowed and limited to two minutes each. Comments from the public will be allowed on all agenda items at the time each item is called and limited to two minutes each.

3.0 CONFLICTS OF INTEREST OR ABSTENTIONS

Board members should declare if they have any personal conflicts of interest or need to abstain from participation in any items on the agenda.

4.0 ACTION: CONSENT ITEMS

Attachment 2
Attachment 3

- 4.1 December 17, 2025 Meeting Minutes
- 4.2 Financial Statements ending December 31, 2025

5.0 REPORT: QUARTERLY FINANCIALS

Treasurer to provide quarterly financial report for last quarter of fiscal year 2025.

6.0 REPORT: 2025 REFLECTION

Report on 2025 DAO activities, street level services and workplan items.

7.0 ACTION: ANNUAL REPORT & STATEMENT OF ACTIVITIES APPROVAL

Attachment 4
Attachment 5

Board to approve draft of 2025 Annual Report and 2026 Statement of Activities prior to distribution.

8.0 ACTIVITY: BOARD BUILDING

Board to engage in team building activity.

MEETING BREAK



Meeting Agenda

Downtown Action Organization
Board of Directors

Date:
January 21, 2026, 9am

Location:
coLAB
427 Mendocino Avenue
Santa Rosa, CA 95401

9.0 DISCUSSION & ACTION: 2026 PLANNING & WORKPLAN APPROVAL

Board members to discuss DAO mission, ongoing objectives and proposed goals for 2026 fiscal year and approve items to be included in organization's annual workplan

10.0 ACTION: PROPOSED EDITS TO BYLAWS

Attachment 6

Board to review and approve proposed edits to DAO Bylaws.

11.0 ACTION: 2026 EXECUTIVE COMMITTEE ELECTIONS

Board to elect 2026 Executive Committee members to serve a one-year term. Nominations are open from the floor. The following board members have expressed interest in serving in the corresponding positions:

Chair: Pauline Block
Vice Chair: Chris Denny
Treasurer: Amanda Kurt
Secretary: Beau Anderson

12.0 FUTURE AGENDA ITEMS

Board members to share any future items they wish to be considered. Future agenda items will include monthly report outs from all designated Advisory Committees.

13.0 ADJOURNMENT

Chair to adjourn meeting.

Downtown Action Organization (DAO) does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings and programs are available by contacting (707) 304-7778, ext. 800 one week prior to the meeting. Meeting information can also be accessed online at <https://www.downtownsantarosa.org/districtnews>.

www.downtownsantarosa.org/districtnews

Downtown Action Organization

Annual Board Retreat

January 21, 2026



Hotel E
37 Old Courthouse Square
Santa Rosa, California



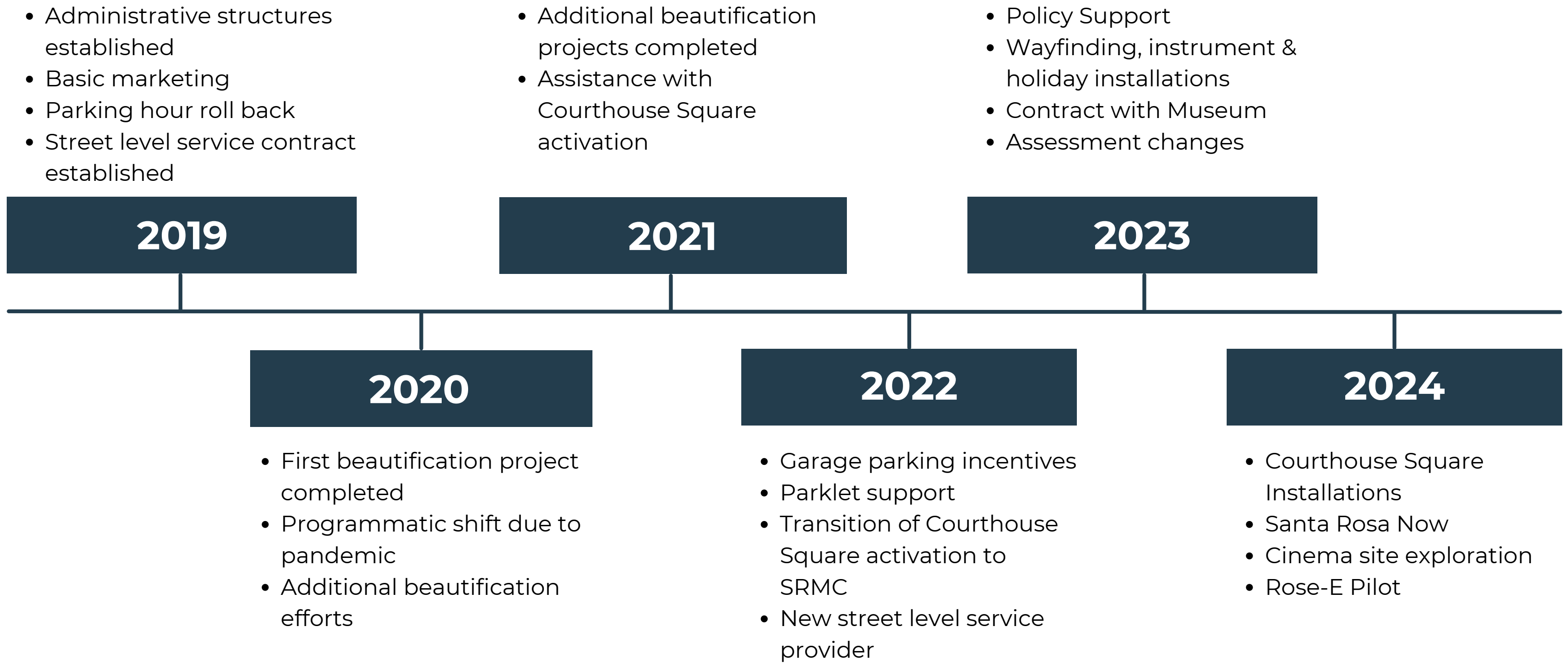
Agenda

- 1.0** Call To Order
- 2.0** Public Comments (Non Agenda)
- 3.0** Conflicts of Interest
- 4.0** Consent Items
- 5.0** Report: Quarterly Financials
- 6.0** Report: 2025 Reflection
- 7.0** Action: Annual Report &
Statement of Activities Approval
- 8.0** Board Building
- BREAK**



Agenda

- 9.0** Discussion & Action:
2026 Planning & Workplan Approval
- 10.0** Action: Approve Bylaw Changes
- 11.0** Action: 2026 Executive Committee Elections
- 12.0** Future Agenda Items
- 13.0** Adjournment



Timeline

2025 Review

District Management

- Updated MDP
- Info Sessions (5)
- Began work to identify Downtown infrastructure updates (in progress)
- Small infrastructure review
- Tree removal & replacement
- Planter upgrades in Courthouse Square
- Expanded Parking Permit options

District Improvements / Project Maintenance

- Tree removal & replacement
- Planter upgrades in Courthouse Square

Special Projects

- Window cover project
- Support for small Downtown events



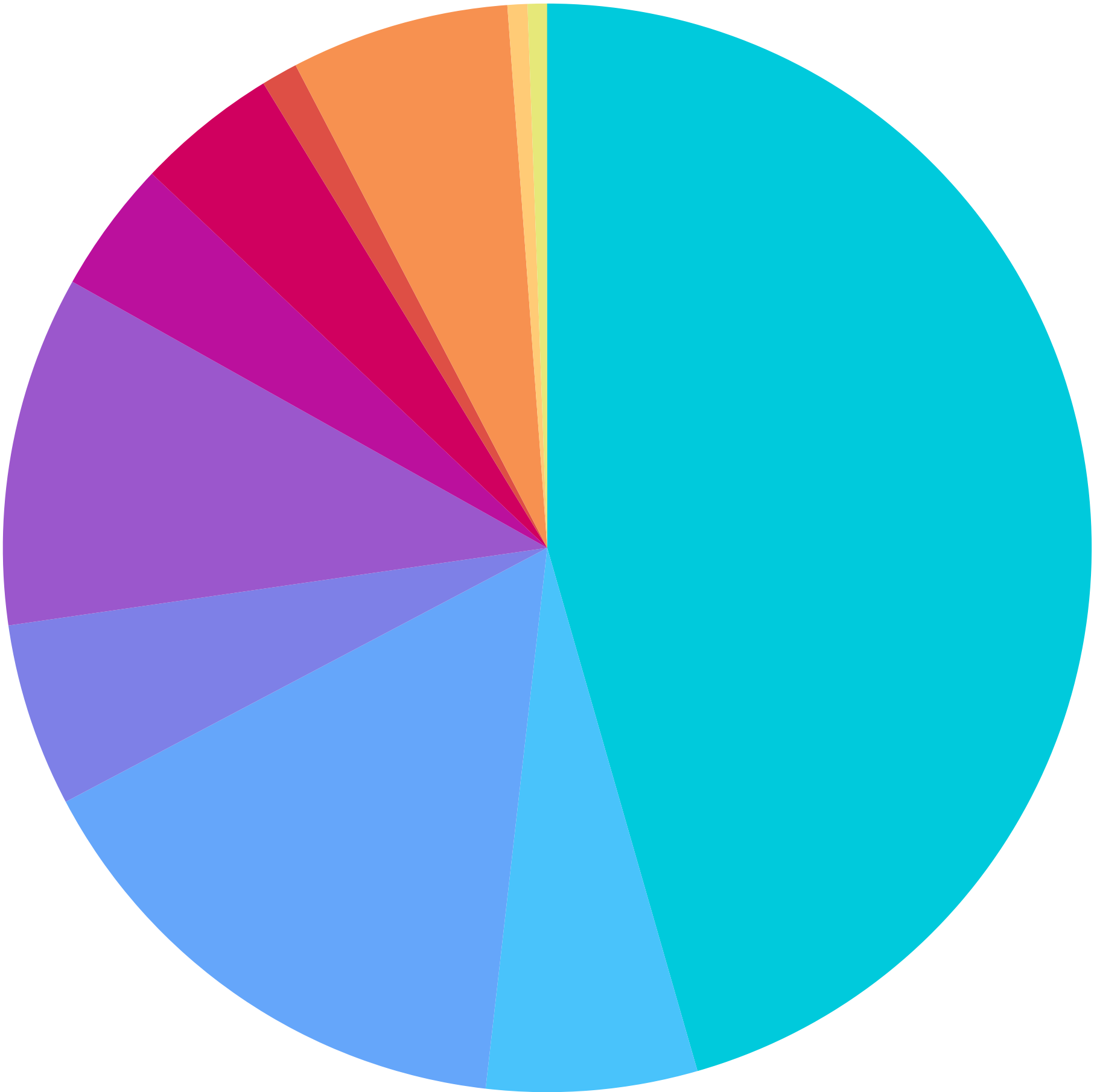
Street Level Services

Heat map of tasks completed
January 1 through December 31, 2025



Street Level Services

Tasks completed
January 1 through December 31, 2025



- Sweeps (15,192)
- Graffiti (2,087)
- Landscaping Tasks (5,159)
- Bulk Item Removal (1,817)
- Asset Maintenance (3,472)
- Quality of Life Checks / Responses (1,311)
- Information provided (1,404)
- Courthouse Square Furniture Management (360)
- Business Checks (2,161)
- Cleaning of Human / Hazardous Waste (197)
- Power Washing (187)
- Safety Escorts (6)

2026 Planning

DAO Mission

To advance Downtown Santa Rosa as a vibrant, safe, and connected City Center that supports everyday life and serves as a dynamic destination to live, work, visit and explore.

Ongoing Objectives

1. Maintain clean sidewalks and streets through regular and proactive street level services
2. Work closely with City electeds and staff to address larger issues facing the Downtown community and Santa Rosa community at large
3. Advocate for policies that support business attraction, growth and retention in the Downtown District
4. Enhance District identity through consistent online presence that supports Downtown businesses and property owners
5. Provide regular maintenance of previously funded projects
6. Create a community of business and property owners who utilize the District as a critical resource

2026 Workplan Approval

District Management

policy, strategy and administration

1. Work with City staff to coordinate expenditures on Downtown projects including trash cans, planters, lighting and other improvements to Jeju Way, Courthouse Square
2. Enhance Downtown brand and identity by facilitating creation and launch of new Downtown website
3. Improve street level services and support for businesses through coordination of transition of street level service providers

Board Policy, Culture & Governance

related to board development, growth and stability

1. Identify mission and ongoing core objectives of organization
2. Review and update organization's Bylaws
3. Create ongoing strategy to obtain better engagement with business community

Special Projects

projects allowed through dedicated outside funding

1. Advisory Committee members to support Ross Street Activation through implementation of Contract with City of Santa Rosa and expenditures of committed funds
2. Advisory Committee members to explore Courthouse Square enhancements and activations in coordination with City of Santa Rosa

District Improvements / Project Maintenance

dedicated resources/projects to address physical infrastructure

1. Oversee installation of new 4th Street lighting
2. Develop a plan to reduce and replace street level planters
3. Develop street tree removal and replacement strategy
4. Work with City to identify permanent family friendly installations in/adjacent to Downtown

Recommended Bylaw Edits

Recommended changes are focused on:

- updating the organization's information
- transitioning the City of Santa Rosa seat to a liaison/non-voting role
- updating Nominating Committee details
- establishing term limits
- updating the attendance policy
- updating Executive Committee structure
- updating organization's signing policies

Election of 2026 Executive Committee

Board will vote to select 2026 Executive Committee members to serve a one-year term. Nominations open from the floor.

The following board members have expressed interest in serving in each position:

Chair: Pauline Block

Vice Chair: Chris Denny

Secretary: Beau Anderson

Treasurer: Amanda Kurt

Attachment 2

**DAO Board Meeting
December 17, 2025, 9:15am
coLAB – Collaboration Lab - 427 Mendocino Ave, Santa Rosa, CA 95401**

Board Members Present: Beau Anderson, Leeanna Ausiello-Kane, Pauline Block, Zach Berkowitz, Britt Cooper, Chris Denny, Hugh Futrell, Nicole Gaddis, Caitlin Kurasek, Ken Lafranchi, Danielle Nelson, Gabe Osburn, Argo Thompson, Don Tomasi

Absent: Natalie Balfour

Staff Present: Cadance Hinkle Allinson

MINUTES

1.0 CALL TO ORDER

Chair Pauline Block called the meeting to order at 9:20am.

2.0 PUBLIC COMMENTS ON NON-AGENDA ITEMS (limited to two minutes each)

There were no public comments at this time.

3.0 CONFLICTS OF INTEREST OR ABSENTIONS

Gabe Osburn shared he would be abstaining from Items 7.0 and 8.0.

4.0 ACTION: CONSENT ITEMS

A motion was made by Beau Anderson to approve consent items 4.1 November 19, 2025 Meeting Minutes and 4.2, Financial Statements ending November 30, 2025. The motion was seconded by Nicole Gaddis and with no additional discussion, unanimously approved.

5.0 REPORT: EXECUTIVE DIRECTOR

Cadance shared updates about property transitions and new businesses in the Downtown.

She received the compiled financials back, which are now on the website and insurance has been finalized and sent to the City so that the DAO is able to accept the next assessment check.

She shared that the transition continues to move forward, with the new bank accounts expected to be funded by year end. Block By Block, Brainy, Riley Farmiloe and GeoCentric all have signed contracts. Block By Block is in town today reviewing the space and they anticipate interviewing candidates in early January for a February 1 launch.

All files have been transferred from the Chamber to the DAO's Google Drive and she's working on getting historical email files transferred too. She has secured a new phone number and physical address and will note those changes, along with the new email addresses in the newsletter scheduled to go out today. She will also share that there will be changes for the street level service program and a new website coming in 2026.

She will continue to get the word out via email about the Parking District changes and encourage people to meet with Tania, who has been very available to help with validation onboarding.

Cadance also noted that some additional tree work, thanks to Santa Rosa ReLeaf, would be taking place next week.

6.0 REPORT: EXECUTIVE COMMITTEE

Pauline shared that the Executive Committee approved final contracts for website and social media, based on previous approvals from the board. She noted Chris Denny will be chairing an ad hoc committee for the website, and suggested that interested parties should reach out to Cadance.

The Ross Street Ad Hoc Committee is meeting regularly and working through budget and programming recommendations with the goal of bringing something to the board by February for the pilot activation.

Hugh provided an update on the Courthouse Square Ad Hoc committee which is looking at holistic uses for the Square including potential performance space and fountain. The committee will likely bring suggestions back to the full board at some point soon.

She noted the January meeting would be a bit longer to allow for an annual review and planning session for 2026.

7.0 ACTION: COSIGN LETTER FROM SONOMA COUNTY BICYCLE COALITION

Cadance shared that this letter was provided to the DAO, and other local groups, from the Bicycle Coalition with the request to cosign. The letter to the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure requests preservation of the Transportation Alternatives program.

A discussion ensued about whether support would be appropriate and the general nature of the request.

Don Tomasi made a motion to cosign the letter from Sonoma County Bicycle Coalition. The motion was seconded by Danielle Nelson. Gabe Osburn abstained from voting. There was no further discussion. The motion was unanimously approved.

8.0 ACTION: COSIGN LETTER OF SUPPORT FOR ENTERTAINMENT ZONE

Pauline shared that the letter to the City represents a unified voice with the Railroad Square Association and provides general support for the Entertainment Zone concept as it moves toward the meeting on January 27.

Ken Lafranchi made a motion to cosign the letter in support of continued exploration of Entertainment Zones. The motion was seconded by Argo Thompson. Gabe Osburn abstained. There was no further discussion. The motion was unanimously approved.

9.0 ACTION: MANAGEMENT CONTRACT APPROVAL

Pauline shared the Executive Committee's recommendation to approve the Consulting Agreement for District Management and Administration.

Executive Committee members noted the contract had been reviewed and approved by an attorney.

Chris Denny made a motion to approve the Executive Committee's recommendation to approve the Consulting Agreement for District Management and Administration. The motion was seconded by Nicole Gaddis. There was no further discussion. The motion was unanimously approved.

10.0 ACTION: 2026 BUDGET APPROVAL

Cadance shared that the proposed 2026 budget reflected the contracts that have been signed for 2026. The income is based on the assessments billed in August. All expense items have a slight contingency added on to allow for unexpected expenses related to the transition.

Beau Anderson made a motion to approve the Executive Committee's recommendation to approve the 2026 Budget proposal. The motion was seconded by Britt Cooper. There was no further discussion. The motion was unanimously approved.

11.0 ACTION: 2026 BOARD NOMINATIONS

Pauline shared that much discussion occurred at the Executive Committee level and noted that the recommendation to approve two new board members does not work with the current board structure. Other than supporting the Nominating Committee's recommendation, the Executive Committee will not be making a recommendation as to how to proceed as they wanted engagement from the full board on the item.

Hugh Futrell shared his reasons for resigning and the importance of board turnover. He noted that he felt stepping aside was a positive decision and new energy would be critical to the organization.

Beau Anderson, chair of the Nominating Committee, which included Argo Thompson, spoke about the interview process and the Nominating Committee's discussions with Hali Lenox and Amanda Kurt, highlighting their strengths, experiences and potential benefits to the organization. He shared their recommendation to approve both Amanda Kurt and Hali Lenox to the DAO Board effective January 1, 2026 and noted the importance of bringing on Amanda Kurt with her financial background to fill a needed void in the treasurer role. Argo voiced agreement for the two candidates and their commitment to the board.

Pauline shared that Chris Denny, Zach Berkowitz and Don Tomasi all have requested an additional three-year term.

A discussion ensued about attendance requirements and the current board absences. Cadance stated that all nominees agreed to the attendance requirements during the interview process. A discussion ensued about the importance of board members meeting the agreed upon attendance requirements and that an upcoming Bylaw change would allow for a more straightforward removal mechanism for those who do not, which could be retroactive.

Gabe shared that there is internal discussion about the City's role as a voting member, and that there might be an opportunity for the City to sit on the board as a liaison, thereby opening a seat. Gabe suggested that the board can make a recommendation to make the change.

It was suggested that the contract and MDP should be reviewed to allow for that potential change.

A brief discussion about term limits also being reviewed in January occurred.

Leeanna Ausiello Kane made a motion to offer a seat to Amanda Kurt. Britt Cooper seconded the motion. Discussion ensued and Leanna amended the motion to offer a seat to Amanda Kurt while ensuring there was communication to Hali Lenox that it is the desire of the board to have her join at the earliest opportunity. Britt Cooper seconded the amended motion and it was unanimously approved.

12.0 FUTURE AGENDA ITEMS

No future agenda items were included and Pauline noted that the annual meeting will take place in January and Cadance will follow up with an invitation.

13.0 ADJOURNMENT

Pauline Block adjourned the meeting at 10:03am.

2:27 PM

01/06/26

Accrual Basis

Downtown Action Organization Incorporated
Balance Sheet
As of December 31, 2025

	Dec 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1000000 · DAO OPERATING FUNDS	
1000100 · Earmarked Project Cash-Poppy	-15.00
1001000 · District Funds Savings-Poppy	20.87
1010000 · DAO Operating-Poppy	42,447.01
Total 1000000 · DAO OPERATING FUNDS	42,452.88
Total Checking/Savings	42,452.88
Other Current Assets	
1100000 · District Revenue Receivables	398,031.63
12101 · Cash Transfer Entries	181,162.21
Total Other Current Assets	579,193.84
Total Current Assets	621,646.72
TOTAL ASSETS	621,646.72
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	42,447.34
Total Accounts Payable	42,447.34
Total Current Liabilities	42,447.34
Total Liabilities	42,447.34
Equity	
32000 · Unrestricted Net Assets	558,153.24
Net Income	21,046.14
Total Equity	579,199.38
TOTAL LIABILITIES & EQUITY	621,646.72

2025 DAO Budget and Cash Flow Projection																
Income	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Year to Date	YE Projection	Budgeted	From Budget
Starting cash at 1/1/25	\$ 90,235.06															
District Assessments	\$341,453	\$0	\$0	\$0	\$186,103	\$0	\$0	\$0	\$6,931	\$0	\$0	\$0	\$534,487	\$534,487	\$554,175	-\$19,688
Non-District Assessments	\$0	\$0	\$1,250	\$0	\$0	\$1,250	\$0	\$0	\$1,250	\$15,000	\$0	\$1,250	\$19,999	\$28,294	\$4,998	\$23,296
Interest Income	\$63	\$135	\$134	\$114	\$145	\$148	\$136	\$123	\$96	\$79	\$45	\$0	\$1,219	\$1,000	\$700	\$300
Sub Total	\$431,752	\$135	\$1,383	\$114	\$186,248	\$1,398	\$136	\$123	\$8,277	\$15,079	\$45	\$1,250	\$555,705	\$563,781	\$559,873	-\$3,908
Cash at Beginning of Month	\$431,752	\$389,440	\$348,217	\$305,632	\$448,998	\$407,836	\$361,923	\$319,422	\$283,252	\$236,554	\$195,675	\$151,180				
Expense																
Primary District Services	\$29,114	\$29,114	\$29,114	\$29,114	\$29,114	\$29,114	\$29,114	\$31,114	\$47,944	\$27,340	\$29,114	\$29,114	\$368,424	\$368,424	\$362,928	\$5,496
Project Maintenance	\$0	\$0	\$0	\$0	\$0	\$3,602	\$178	\$0	\$0	\$0	\$0	\$12,198	\$15,977	\$15,977	\$35,000	-\$19,023
Marketing	\$0	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$463	\$251	\$8	\$0	\$846	\$846	\$7,750	-\$6,904
Administration & Staffing	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$160,000	\$160,000	\$160,000	\$0
Insurance/Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,147	\$7,100	\$10,247	\$10,247	\$11,500	-\$1,253
Misc. Direct Expense	\$0	\$35	\$251	\$435	\$112	\$0	\$0	\$0	\$36	\$0	\$142	\$415	\$1,426	\$1,426	\$2,400	-\$974
Contingency (3.5% - \$19,601)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,400	-\$19,400
Sub Total	\$42,447	\$42,607	\$42,698	\$42,882	\$42,560	\$46,049	\$42,625	\$44,447	\$61,777	\$40,923	\$45,745	\$62,160	\$556,921	\$556,921	\$598,978	-\$42,057
Cash Balance	\$389,305	\$346,833	\$305,519	\$262,750	\$406,438	\$361,787	\$319,299	\$274,974	\$221,475	\$195,631	\$149,930	\$89,020				

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01/06/26

Accrual Basis

Downtown Action Organization Incorporated Profit & Loss Budget Performance

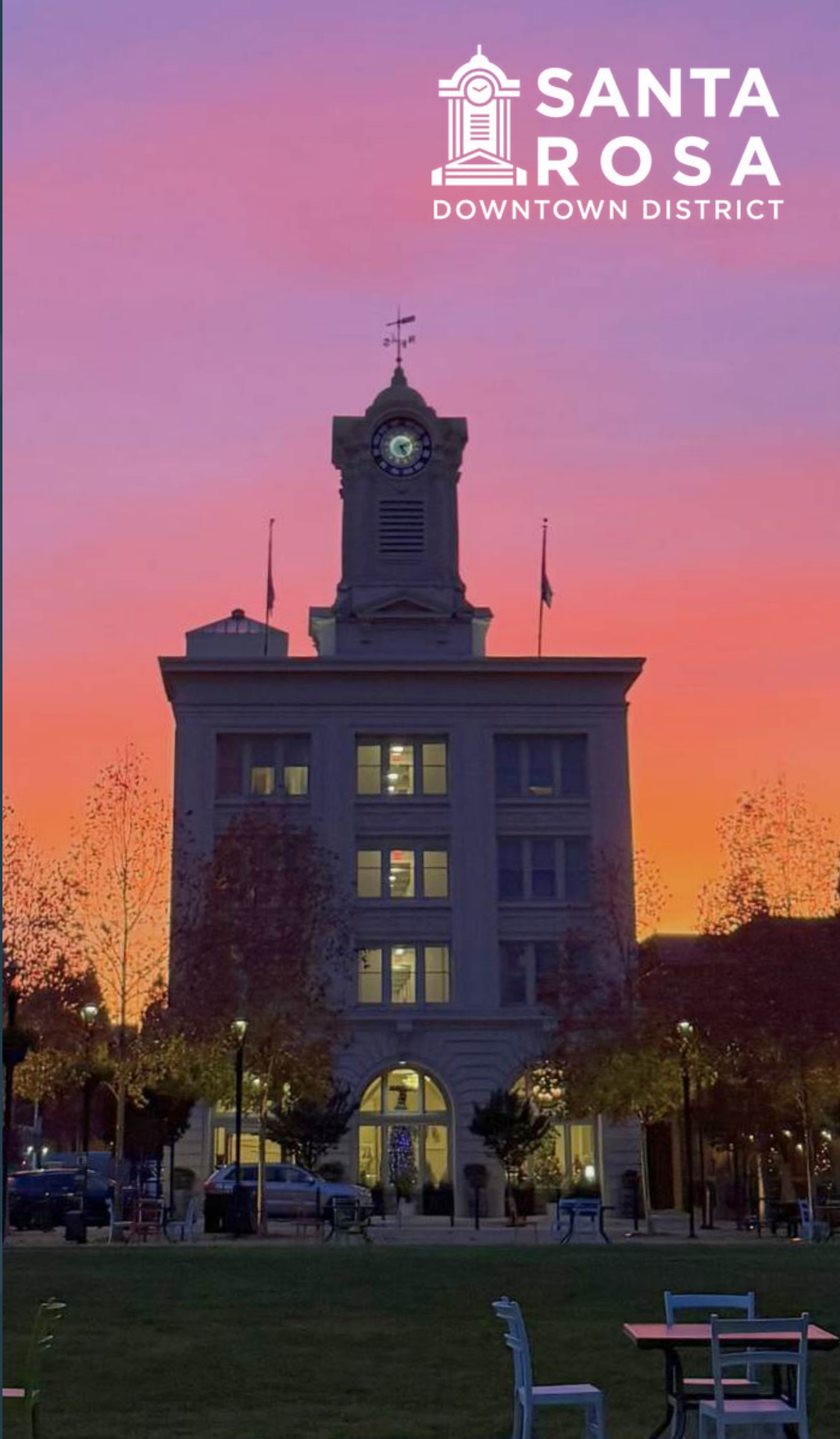
December 2025

	Dec 25	Budget	\$ Over Budget	% of Budget	Jan - Dec 25	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense									
Income									
4100000 · District Assessments	46,181.25	46,181.27	-0.02	100.0%	554,175.22	554,175.22	0.00	100.0%	554,175.22
4100001 · Non-District Assessments	1,249.59	416.52	833.07	300.0%	4,998.30	4,998.27	0.03	100.0%	4,998.27
4100002 · Interest Income	1,331.96	58.33	1,273.63	2,283.5%	5,108.33	700.00	4,408.33	729.8%	700.00
4200000 · DAO Activities									
4200002 · Events/Programming	0.00				0.00				
Total 4200000 · DAO Activities	0.00				0.00				
Total Income	48,762.80	46,656.12	2,106.68	104.5%	564,281.85	559,873.49	4,408.36	100.8%	559,873.49
Gross Profit	48,762.80	46,656.12	2,106.68	104.5%	564,281.85	559,873.49	4,408.36	100.8%	559,873.49
Expense									
5100000 · PRIMARY DISTRICT SERVICES									
5100001 · Street Level Services	29,114.01	30,244.00	-1,129.99	96.3%	353,423.69	362,928.00	-9,504.31	97.4%	362,928.00
Total 5100000 · PRIMARY DISTRICT SERVICES	29,114.01	30,244.00	-1,129.99	96.3%	353,423.69	362,928.00	-9,504.31	97.4%	362,928.00
5200000 · DISTRICT IMPROVEMENTS									
5200002 · Project Maintenance	12,198.00	2,916.67	9,281.33	418.2%	17,277.30	35,000.00	-17,722.70	49.4%	35,000.00
5200003 · Marketing	0.00	645.83	-645.83	0.0%	375.07	7,750.00	-7,374.93	4.8%	7,750.00
Total 5200000 · DISTRICT IMPROVEMENTS	12,198.00	3,562.50	8,635.50	342.4%	17,652.37	42,750.00	-25,097.63	41.3%	42,750.00
5300000 · MARKETING									
5300001 · Events/Programming	0.00				471.38				
Total 5300000 · MARKETING	0.00				471.38				
5400000 · DISTRICT MANAGEMENT									
5400001 · SR Metro Chamber Contract	13,333.33	13,333.33	0.00	100.0%	159,999.96	160,000.00	-0.04	100.0%	160,000.00
5400003 · Insurance/Taxes	7,100.00	958.33	6,141.67	740.9%	10,247.23	11,500.00	-1,252.77	89.1%	11,500.00
5400004 · Misc Direct Expenses	415.00	200.00	215.00	207.5%	1,441.08	2,400.00	-958.92	60.0%	2,400.00
Total 5400000 · DISTRICT MANAGEMENT	20,848.33	14,491.66	6,356.67	143.9%	171,688.27	173,900.00	-2,211.73	98.7%	173,900.00
5500000 · CONTINGENCY	0.00	1,616.67	-1,616.67	0.0%	0.00	19,400.00	-19,400.00	0.0%	19,400.00
Total Expense	62,160.34	49,914.83	12,245.51	124.5%	543,235.71	598,978.00	-55,742.29	90.7%	598,978.00
Net Ordinary Income	-13,397.54	-3,258.71	-10,138.83	411.1%	21,046.14	-39,104.51	60,150.65	-53.8%	-39,104.51
Net Income	-13,397.54	-3,258.71	-10,138.83	411.1%	21,046.14	-39,104.51	60,150.65	-53.8%	-39,104.51

	Type	Date	Num	Name	Memo	Class	Clr	Split	Debit	Credit	Balance
1000000 - DAO OPERATING FUNDS											286,451.42
1000100 - Earmarked Project Cash-Poppy											133,249.33
	General Journal	12/18/2025	169		Interest Paid Oct-Dec		Ö	4100002 - Interest Income	1,311.09		134,560.42
	Transfer	12/18/2025			CD Cashed in to Operating Account		Ö	1010000 - DAO Operating-Poppy		133,368.59	1,191.83
	Transfer	12/18/2025			Special Project Cash to Operating-Forward to Exchange		Ö	1010000 - DAO Operating-Poppy		1,191.83	0.00
	Check	12/31/2025			Service Charge		Ö	5400004 - Misc Direct Expenses		15.00	-15.00
Total 1000100 - Earmarked Project Cash-Poppy									1,311.09	134,575.42	-15.00
1001000 - District Funds Savings-Poppy											101,708.70
	Transfer	12/04/2025			Funds Transfer-AP Week 12/1/25		Ö	1010000 - DAO Operating-Poppy		10,000.00	91,708.70
	Transfer	12/17/2025			Close out assessment savings and forward to Exchange Bank		Ö	1010000 - DAO Operating-Poppy		46,601.79	45,106.91
	Transfer	12/17/2025			Final AP xfer 2025		Ö	1010000 - DAO Operating-Poppy		45,106.91	0.00
	Deposit	12/31/2025			Interest		Ö	4100002 - Interest Income	20.87		20.87
Total 1001000 - District Funds Savings-Poppy									20.87	101,708.70	20.87
1010000 - DAO Operating-Poppy											51,493.39
	Bill Pmt -Check	12/02/2025	1383	Cadance Hinkle Allinson	Oct-Nov Reimbursement		Ö	20000 - Accounts Payable		223.01	51,270.38
	Bill Pmt -Check	12/02/2025	1384	NexStreet - Cleaning & Sanitation, Inc.	INV-0268		Ö	20000 - Accounts Payable		29,114.01	22,156.37
	Bill Pmt -Check	12/02/2025	1385	Santa Rosa Metro Chamber	INV 2025DAO-11		Ö	20000 - Accounts Payable		13,333.33	8,823.04
	Bill Pmt -Check	12/04/2025	1386	Cadance Hinkle Allinson	November Reimb		Ö	20000 - Accounts Payable		3,034.53	5,788.51
	Bill Pmt -Check	12/04/2025	1387	The Davey Tree Expert Company	8002597		Ö	20000 - Accounts Payable		12,198.00	-6,409.49
	Transfer	12/04/2025			Funds Transfer-AP Week 12/1/25		Ö	1001000 - District Funds Savings-Poppy	10,000.00		3,590.51
	Deposit	12/15/2025			Deposit		Ö	12000 - Undeposited Funds	1,249.59		4,840.10
	Transfer	12/17/2025			Final AP Transfer 2025		Ö	1001000 - District Funds Savings-Poppy	46,601.79		51,441.89
	Transfer	12/17/2025			Xfer to checking to forward assessment balance to Exchange Bank		Ö	1001000 - District Funds Savings-Poppy	45,106.91		96,548.80
	Transfer	12/18/2025			CD Cashed in to Operating Account		Ö	1000100 - Earmarked Project Cash-Poppy	133,368.59		229,917.39
	Transfer	12/18/2025			Special Project Cash to Operating-Forward to Exchange		Ö	1000100 - Earmarked Project Cash-Poppy	1,191.83		231,109.22
	Check	12/18/2025	1389	Downtown Action Organization	District Assessments Cash Transfer		Ö	12101 - Cash Transfer Entries		46,601.79	184,507.43
	Check	12/18/2025	1390	Downtown Action Organization	Special Project Cash Transfer		Ö	12101 - Cash Transfer Entries		134,560.42	49,947.01
	Bill Pmt -Check	12/23/2025	1391	Law Office of Linda L. Daube	Client: DAO			20000 - Accounts Payable		400.00	49,547.01
	Bill Pmt -Check	12/23/2025	1392	Sorren, Inc.	INV 850-102229			20000 - Accounts Payable		7,100.00	42,447.01
Total 1010000 - DAO Operating-Poppy									237,518.71	246,565.09	42,447.01
Total 1000000 - DAO OPERATING FUNDS									238,850.67	482,849.21	42,452.88
TOTAL									238,850.67	482,849.21	42,452.88

	Type	Date	Num	Name	Memo	Class	Clr	Split	Debit	Credit	Balance
4100000 · District Assessments											
Total 4100000 · District Assessments	General Journal	12/31/2025	168		Capture 2025 Accrued Income Monthly 2025			2300000 · Deferred Revenue - District Rev	<u>46,181.25</u>	<u>46,181.25</u>	<u>46,181.25</u>
									0.00	46,181.25	46,181.25
4100001 · Non-District Assessments											
Total 4100001 · Non-District Assessments	Invoice	12/01/2025	CBD 1-2026	Museum of Sonoma County	Santa Rosa Downtown District Inclusion Fee (January - March 2026)			11000 · Accounts Receivable	<u>1,249.59</u>	<u>1,249.59</u>	<u>1,249.59</u>
									0.00	1,249.59	1,249.59
4100002 · Interest Income											
Total 4100002 · Interest Income	General Journal	12/18/2025	169		Interest Paid Oct-Dec			1000100 · Earmarked Project Cash-Poppy		<u>1,311.09</u>	<u>1,311.09</u>
	Deposit	12/31/2025			Interest			1001000 · District Funds Savings-Poppy		<u>20.87</u>	<u>1,331.96</u>
									0.00	1,331.96	1,331.96
5100000 · PRIMARY DISTRICT SERVICES											
5100001 · Street Level Services											
Total 5100001 · Street Level Services	Bill	12/31/2025	INV-0275	NexStreet - Cleaning & Sanitation, Inc.	December Services			20000 · Accounts Payable	<u>29,114.01</u>		<u>-29,114.01</u>
Total 5100000 · PRIMARY DISTRICT SERVICES									<u>29,114.01</u>	<u>0.00</u>	<u>-29,114.01</u>
									29,114.01	0.00	-29,114.01
5200000 · DISTRICT IMPROVEMENTS											
5200002 · Project Maintenance											
Total 5200002 · Project Maintenance	Bill	12/01/2025	920163044	The Davey Tree Expert Company	Project Maintenance			20000 · Accounts Payable	<u>12,198.00</u>		<u>-12,198.00</u>
Total 5200000 · DISTRICT IMPROVEMENTS									<u>12,198.00</u>	<u>0.00</u>	<u>-12,198.00</u>
									12,198.00	0.00	-12,198.00
5400000 · DISTRICT MANAGEMENT											
5400001 · SR Metro Chamber Contract											
Total 5400001 · SR Metro Chamber Contract	Bill	12/31/2025	2025DAO-12	Santa Rosa Metro Chamber	December Contract Services			20000 · Accounts Payable	<u>13,333.33</u>		<u>-13,333.33</u>
									13,333.33	0.00	-13,333.33
5400003 · Insurance/Taxes											
Total 5400003 · Insurance/Taxes	Bill	12/16/2025	850-102229	Sorren, Inc.	Tax Prep & Compilation			20000 · Accounts Payable	<u>7,100.00</u>		<u>-7,100.00</u>
									7,100.00	0.00	-7,100.00
5400004 · Misc Direct Expenses											
Total 5400004 · Misc Direct Expenses	Bill	12/17/2025	2025-1217	Law Office of Linda L. Daube	Legal Fees			20000 · Accounts Payable	<u>400.00</u>		<u>-400.00</u>
Total 5400000 · DISTRICT MANAGEMENT	Check	12/31/2025			Service Charge			1000100 · Earmarked Project Cash-Poppy	<u>15.00</u>		<u>-415.00</u>
									<u>415.00</u>	<u>0.00</u>	<u>-415.00</u>
									<u>20,848.33</u>	<u>0.00</u>	<u>-20,848.33</u>
TOTAL									<u>62,160.34</u>	<u>48,762.80</u>	<u>-13,397.54</u>

DOWNTOWN
ACTION
ORGANIZATION



2025
ANNUAL
REPORT

Overview of work conducted by the Downtown Action Organization (DAO) as the management organization of the Downtown Santa Rosa Community Benefit District during fiscal year 2025 (January 1 through December 31, 2025)

Prepared by Cadance Hinkle Allinson



ASSESSMENTS & METHODOLOGY

District Assessments

There was no change to property assessment calculations in 2025. The full anticipated amount collected from properties within the District (page 4) where special benefit services were conducted in 2025 was \$554,175. This reflects payments due on November 1, 2024 and February 1, 2025 and does not include any delinquent payments made after August 1, 2025.

Assessment Calculations

Zone	Building Square Footage Amount	Lot Size Square Footage Amount	Linear Frontage Amount	Per Parking Space Amount
1	\$0.147	\$0.021	\$4.515	n/a
2	\$0.105	\$0.021	\$3.150	n/a
3	\$0.147	n/a	n/a	n/a
4	n/a	n/a	n/a	\$37.80

Total Parcel Assessment Methodology

Parcels in Benefit Zones 1 and 2, except for Single Family residences, are calculated as follows. Single Family Residences within Zones 1 and 2 are assessed based on Building Square footage only.

Total Street Frontage x current per foot Zone amount +
Total Lot Square Footage x current per square foot Zone amount +
Total Building Square footage x current per square foot Zone amount

Zone 3 parcels, located within Santa Rosa Plaza, are assessed based on Building Square footage x current building square footage Zone 3 amount. Zone 4 parcels, City Parking Lots and Garages, are assessed per parking space.



BUDGET & EXPENDITURES

Budget & Expenditures for 2025 Fiscal Year

Special Benefit Category	Amount Budgeted		Amount Spent	
	\$	%	\$	%
Primary District Services safety, sanitation and maintenance services	362,928	61	368,424	66
District Management advocacy and project management, staffing and administrative support	173,900	29	171,673	31
Project Maintenance maintenance of improvement projects	35,000	6	15,977	2.75
Marketing / Website website and social media support	7,750	1	846	.25
Contingency	19,400	3	0	0
Total	\$598,978	100%	\$556,905	100%

Budget Surplus

In January 2025, \$90,235.06 in surplus revenue was carried forward from Fiscal Year 2024. At the close of the 2025 Fiscal Year, \$89,020 in surplus revenue was carried forward into Fiscal Year 2026.

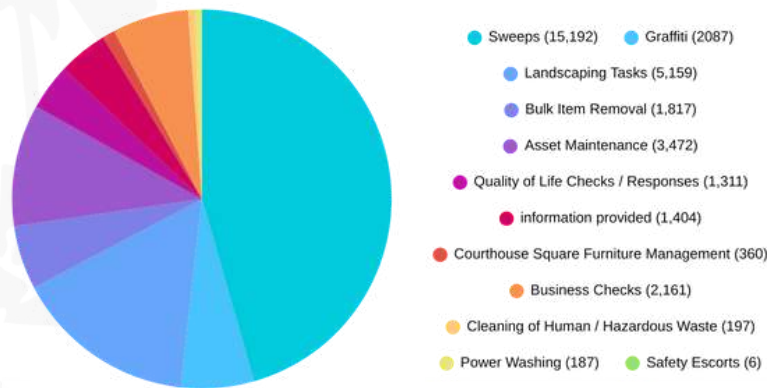
Other Contributions

Other contributions in Fiscal Year 2025 include \$4,998 from an annual agreement for services with the Museum of Sonoma County and a \$15,000 grant from Sonoma Clean Power for the purchase of a new street level services utility vehicle.

SPECIAL BENEFIT SERVICES

Primary District Services

Street level services, focused on sanitation, maintenance and safety within the District, were fulfilled through the DAO’s contract with NexStreet. The chart below reflects a summary of tasks completed during 2025. Data was collected via Jia, NexStreet’s technology solution that tracks employees in the field, manages tasks and collects task data to help predict trends in the District.



District Management, Marketing & Special Projects

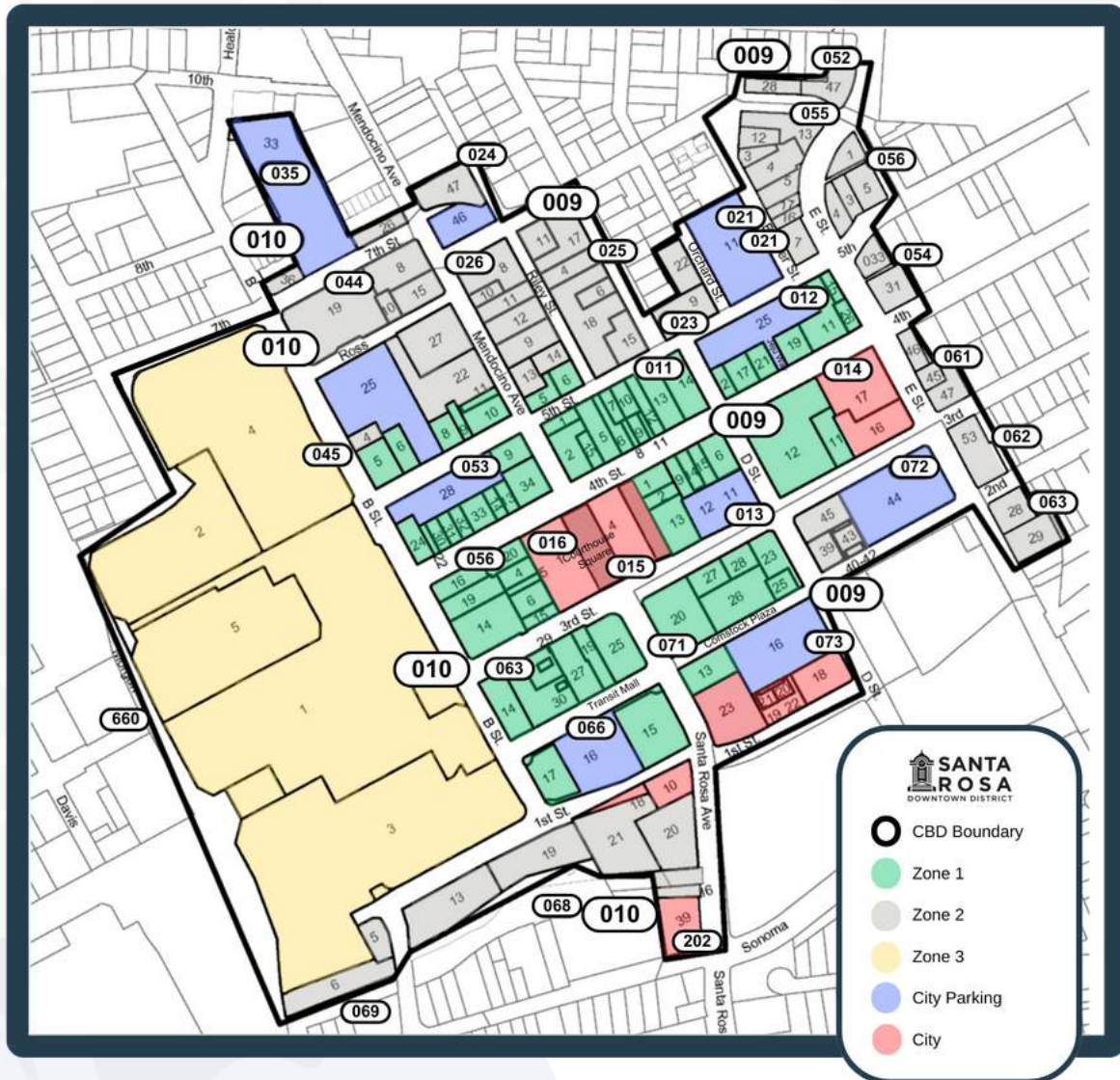
District management fees allow for advocacy and project management, vendor oversight, DAO staffing, office space, website and social media management, bookkeeping, ongoing management of all legal, financial and administrative requirements as well as communication to the Downtown community.

In 2025, the DAO worked with City staff and elected officials to look at avenues for funding and positive changes to Downtown infrastructure. The DAO supported businesses interested in participating in a Sidewalk Sale, coordinated window coverings for vacant spaces, which remain available to property owners, inventoried sidewalk infrastructure and updated the Management District Plan.

Project Maintenance

Past infrastructure or improvement projects installed or managed by the DAO require ongoing maintenance and attention throughout the year by experienced contractors. In 2025, Courthouse Square planters were updated and a number of dead sidewalk trees throughout the District were removed and replaced.

COMMUNITY BENEFIT DISTRICT ZONE MAP



↓ 6

Businesses
closed in 2025

↑ 9

Businesses
opened in 2025



BOARD OF DIRECTORS

The DAO is a 15 member Board of Directors led by a five-member Executive Committee. All meeting agendas and notices were published 72 hours prior to each meeting online as well as at 50 Old Courthouse Square, Suite 110, Santa Rosa, CA 95404. Meetings take place at coLAB at 427 Mendocino Avenue, Suite 100, Santa Rosa, CA 95401.

Agendas and minutes from all meetings can be found at downtownsantarosa.org/districtnews.

2025 DAO Board of Directors

Chair: Pauline Block, Cornerstone Downtown

Vice-Chair: Chris Denny, The Engine is Red

Secretary: Beau Anderson, Sonoma Clean Power

Treasurer: Danielle Nelson, Simon Properties / Santa Rosa Plaza

Past-Chair: Hugh Futrell, Hugh Futrell Corporation

Leeanna Ausiello-Kane, AGA Acquisitions / Ausiello's

Natalie Balfour, Airport Business Center

Zach Berkowitz, Downtown Property Owner

Britt Cooper, Exchange Bank

Nicole Gaddis, California Luggage

Caitlin Kurasek, La Rosa Tequileria

Ken Lafranchi, Lafranchi Architecture & Development

Gabe Osburn, City of Santa Rosa

Argo Thompson, The California Theatre

Don Tomasi, TLCD Architecture

THANK YOU

The support of City of Santa Rosa staff and members of council, the Santa Rosa Metro Chamber, NexStreet, as well as property and business owners within the District has been instrumental to another impactful year of operations in Downtown Santa Rosa.

CONNECT

Please don't hesitate to reach out with any questions or suggestions for how we can continue to improve and grow our community. Note that contact information for the DAO has changed effective January 1, 2026.



EMAIL

hello@downtownsantarosa.org



WEBSITE

www.downtownsantarosa.org



PHONE

707-304-7778, ext. 800



ADDRESS

427 Mendocino Ave, Suite 100
Box 113
Santa Rosa, CA 95401

2025 FISCAL YEAR BUDGET SUMMARY



During 2025, the seventh year of operation, the Downtown Action Organization (DAO) continued to oversee the budget, manage special projects, maintain assets and administer special services for the Downtown Santa Rosa Community Benefit District.

Santa Rosa Downtown District Assessments

There was no change to property assessment calculations in 2025. The full anticipated amount collected from properties within the District (page 4) where special benefit services were conducted in 2025 was \$554,175. This reflects payments due on November 1, 2024 and February 1, 2025 and does not include any delinquent payments made after August 1, 2025.

Budget and Expenditures for 2025 Fiscal Year

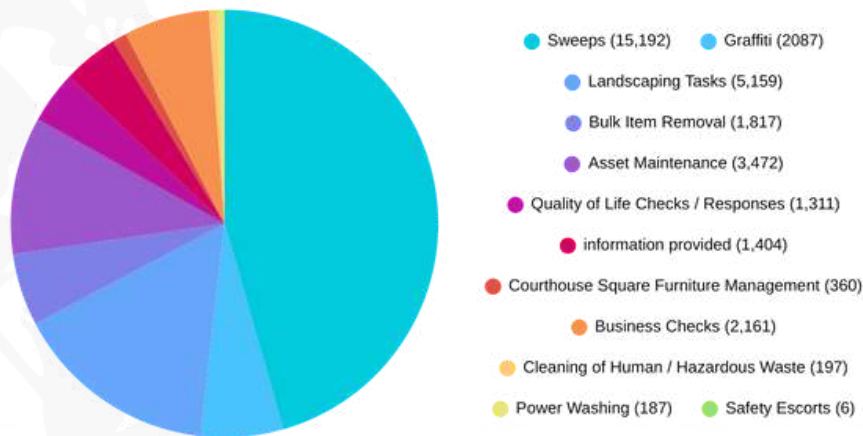
Other contributions in Fiscal Year 2025 include \$4,998 from an annual agreement for services with the Museum of Sonoma County and a \$15,000 grant from Sonoma Clean Power for the purchase of a new street level services utility vehicle.

Special Benefit Category	Amount Budgeted		Amount Spent	
	\$	%	\$	%
Primary District Services safety, sanitation and maintenance services	362,928	61	368,424	66
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Project Maintenance maintenance of improvement projects	35,000	6	15,977	2.75
Marketing / Website website, social media and event support	7,750	1	846	.25
Contingency	19,400	3	0	0
Total	\$598,978	100%	\$556,905	100%

SPECIAL BENEFIT SERVICES

Primary District Services

Street level services, focused on sanitation, maintenance and safety within the District, were fulfilled through the DAO's contract with NexStreet. The chart below reflects a summary of tasks completed during 2025. Data was collected via Jia, NexStreet's technology solution that tracks employees in the field, manages tasks and collects task data to help predict trends in the District.



District Management, Marketing & Special Projects

District management fees allow for advocacy and project management, vendor oversight, DAO staffing, office space, website and social media management, bookkeeping, ongoing management of all legal, financial and administrative requirements as well as communication to the Downtown community.

In 2025, the DAO worked with City staff and elected officials to look at avenues for funding and positive changes to Downtown infrastructure. The DAO supported businesses interested in participating in a Sidewalk Sale, coordinated window coverings for vacant spaces (which remain available to property owners) inventoried sidewalk infrastructure and updated the Management District Plan.

Project Maintenance

Past infrastructure or improvement projects installed or managed by the DAO require ongoing maintenance and attention throughout the year by experienced contractors. In 2025, Courthouse Square planters were updated and a number of dead sidewalk trees throughout the District were removed and replaced.

2026 FISCAL YEAR

BUDGET SUMMARY

Adopted Budget for FY 2026

On December 17, 2025, the DAO board approved the following budget for fiscal year 2026 (January 1, 2026 through December 31, 2026).

Special Benefit Category	Amount Budgeted	
	\$	%
Primary District Services safety, sanitation and maintenance services	350,000	58
District Management advocacy and project management, staffing and administrative support	170,200	28
Marketing / Website website and social media support	42,500	7
Project Maintenance maintenance of improvement projects	20,000	3.5
Contingency	20,940	3.5
Total	603,640	100%

District Assessments

There was no increase to assessments within the District for fiscal year 2026, though assessment corrections were made. Assessments will be collected as part of the County of Sonoma's Property Tax Bill, due on November 1, 2025 and February 1, 2026. The total amount of District assessments due in 2026 is \$598,277.71.

The DAO Board will annually review whether assessments should be increased in the next fiscal year at their July board meeting. 2027 assessments will be considered at the meeting currently scheduled to take place on Wednesday, July 15 at 9:15am.

Benefit Zone	Building Square Footage Annual Cost	Lot Size Annual Cost	Linear Frontage Annual Cost	Parking Space Annual Cost
1	\$0.147	\$0.021	\$4.515	\$0
2	\$0.105	\$0.021	\$3.150	\$0
3	\$0.147	\$0	\$0	\$0
4	\$0	\$0	\$0	\$37.80

SPECIAL BENEFIT SERVICES

Adopted Workplan

In fiscal year 2026, oversight of the District by the Downtown Action Organization (DAO) will focus on:

- Enhancing street level services through a new contract with Block By Block
- Improving Downtown Santa Rosa branding and visibility with a new website
- Ongoing management of all legal and administrative needs
- Ongoing maintenance of all previously completed projects
- Partnering with the City of Santa Rosa to accomplish goals around safety, sanitation and the economic vitality of Downtown.

On January 21, 2026 the DAO Board approved a workplan to guide additional focuses of the organization's work during the fiscal year. These include:

- Additional Items approved by the board

DOWNTOWN ACTION ORGANIZATION

BOARD OF DIRECTORS

The DAO is a 15 member Board of Directors led by a five member Executive Committee. Executive Committee meetings are scheduled for the second Wednesday of every month at 9:30am. Board meetings are scheduled for the third Wednesday of every month at 9:15am.

All meetings are held at coLAB (427 Mendocino Avenue, Santa Rosa, CA 95401) and are subject to the Brown Act. Agendas and details are published 72 hours prior to each meeting online (www.downtownsantarosa.org/districtnews) as well as at coLAB.

2025 DAO Board of Directors

Chair

Pauline Block, Cornerstone Downtown

Vice Chair

Chris Denny, The Engine is Red

Secretary

Beau Anderson, Sonoma Clean Power

Treasurer

Danielle Nelson, Simon Properties

Past Chair

Hugh Futrell, Hugh Futrell Corporation

Members at Large

Natalie Balfour, Airport Business Center

Zach Berkowitz, Downtown Property Owner

Britt Cooper, Exchange Bank

Gabe Osburn, City of Santa Rosa

Nicole Gaddis, California Luggage

Leeanna Kane, AGA Acquisitions / Ausiello's

Caitlin Kurasek, La Rosa Tequileria

Ken Lafranchi, Lafranchi Architecture & Development

Argo Thompson, The California Theatre

Don Tomasi, TLCD Architecture

2026 DAO Board of Directors

Chair

Pauline Block, Cornerstone Downtown

Vice Chair

Chris Denny, The Engine is Red

Secretary

Beau Anderson, Sonoma Clean Power

Treasurer

Amanda Kurt, Baker Tilly

Members at Large

Natalie Balfour, Airport Business Center

Zach Berkowitz, Downtown Property Owner

Britt Cooper, Exchange Bank

Gabe Osburn, City of Santa Rosa

Nicole Gaddis, California Luggage

Leeanna Kane, AGA Acquisitions / Ausiello's

Caitlin Kurasek, La Rosa Tequileria

Amanda Kurt, Baker Tilly

Ken Lafranchi, Lafranchi Architecture & Development

Danielle Nelson, Simon Properties

Argo Thompson, The California Theatre

Don Tomasi, TLCD Architecture

Executive Director

All inquiries can be sent to Cadance Hinkle Allinson at cadance@downtownsantarosa.org or 707-304-7778, ext 800.

**Bylaws of the
Downtown Action Organization Incorporated
A California Nonprofit Corporation**

1. NAME

Section 1.1 Name

The name of this corporation is the Downtown Action Organization Incorporated (the “Corporation”).

2. OFFICES

Section 2.1 Principal Office

The principal office for the transaction of the business of the Corporation will be ~~the Santa Rosa Metro Chamber of Commerce, 427 Mendocino Avenue, Suite 100, Santa Rosa, California 95401~~ 50 Old Courthouse Square, Suite 110 Santa Rosa, California. The Board of Directors of the Corporation may establish another place or places within the City of Santa Rosa, California, by resolution of the Board.

Section 2.2 Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business.

3. PURPOSES

Section 3.1 General Purpose

The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) for public and charitable purposes.

Section 3.2 Specific Purpose

The specific purpose of the Corporation is to administer the Downtown Community Benefit District Business Improvement District (“District”) in accordance with state law including the Property and Business Improvement Law of 1994 (“1994 Act”) and the Management Plan (“the Management Plan”) of the District approved by the City and the property owners within the District who are subject to property tax assessments that will be used to pay for the activities set forth in the Management Plan. The Corporation exists as an Owner’s Association under the 1994 Act for the express purpose of assisting the economic development of the District, which development is expected and intended to result in economic benefits to the property owners within the District, including such property owners who are Directors and Officers of the board. The receipt of such benefits is not a prohibited activity under 4.2 of these By-Laws.

4. LIMITATIONS

Section 4.1 Political Activities

The Corporation has been formed under the 1994 Act and California Nonprofit Corporation Law for the charitable purposes, and it shall be nonprofit and

nonpartisan. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office. The Corporation may however advocate for, disseminate information regarding, enter into discussions with public officials concerning, the objectives, policies, programs, initiatives and expenditures of the District consistent with the goals of the Management Plan.

Section 4.2 Prohibited Activities

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its stated purposes. Except as permitted under applicable state law, the Corporation may not carry on any activity for the profit of its Officers, Directors or other persons. The Corporation may not distribute any gains, profits or dividends earned by the Corporation to its Officers, Directors or other persons as such. Furthermore, nothing in these bylaws shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code. Notwithstanding 3.2 above, no Director or Officer shall violate the conflict-of-interest provisions set forth in these By-Laws.

The Corporation and its Board of Directors shall conduct no meeting or activity, nor take any action, in violation of the Ralph M. Brown Act California Government Code Section 54950-54963, as amended, (the “Brown Act”) regardless of any provision to the contrary of these Bylaws. The Corporation shall also comply with the Public Records Act.

5. DEDICATION OF ASSETS

Section 5.1 Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to the public and economic improvement of downtown Santa Rosa, California. Subject to 3.2 of these By-Laws, no part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers, or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these bylaws.

Section 5.2 Distribution of Assets Upon Dissolution

Upon the dissolution or winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for the public and economic improvement of

downtown Santa Rosa, California as described in Exhibit A hereto and which has established its tax exempt status under Section 501(c)(3) of the Code.

6. MEMBERSHIP

Section 6.1 No Members

This Corporation shall have no members, as that term is defined in section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Public Benefit Corporation Law, any action which would otherwise require approval by a majority of all members shall require only approval of the Board of Directors. All rights which would otherwise vest in the members shall vest in the board of directors. Nothing in these Bylaws shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation, as "members" even though such persons are not members, as defined in section 5056 of the California Corporations Code. Such persons shall be deemed to be associated persons with respect to the corporation as that term is defined in section 5332 of the California Nonprofit Public Benefit Corporation Law, and no such reference shall constitute anyone a member of this Corporation.

7. DIRECTORS

Section 7.1 Number and Qualifications

The authorized number of Directors shall be 15 persons.

At least two thirds (2/3s) of the Directors, or their designees, shall be owners of real property within the boundaries of the District ("Property Owner Directors"). "Owner" for this purpose extends to partners, managers or employees of the entity that owns the real property. Other Directors may be owners of businesses or residents within the boundaries of the District (whether they are also owners of real property within the District), or persons who in the sole discretion of the Board have demonstrated particular interest in the objectives of the District and can contribute to the effective management of the District ("Other Directors"). ~~One member of the Board shall be a~~ representative of the City of Santa Rosa, ~~shall serve as a liaison to the Board, though not in a voting seat. filling either a property owner or business seat as the Board may determine.~~ The City representative shall be designated by the City Manager or other appropriate City authority who may also appoint an alternate to serve on behalf of the City if the designee is unavailable to attend a meeting.

Section 7.2 Nomination and Election of Directors

After consultation with the Board, the Board Chairperson shall appoint a Nominating Committee of no fewer than ~~two~~three Directors, of whom at least one shall be an Officer, no later than ~~sixty~~thirty calendar days before the end of the fiscal year, which shall ~~accept nominations for~~nominate candidates for expiring

Directorships for consideration by the Board. The ~~Board Chairperson~~ President shall also appoint the chair of the Nominating Committee who shall be a member of the committee. The Nominating Committee shall promptly after its formation issue a communication to Directors, owners of real property, and businesses within the District, soliciting nomination suggestions. ~~—~~ Nominations from the committee shall be presented to the Board at the ~~last~~first Board meeting of the fiscal year as part of an agenda item under which the Board shall appoint replacements for the expiring Directorships. The procedures for Board appointment of new Directors filling expiring Directorships, including nominations from the floor, are described in Exhibit B, “Procedure to Elect New Board Directors”, a part of these By-Laws. Directors shall be elected by a simple majority vote of Directors. Procedures for an appointment by the Board to fill a vacancy which occurs during the fiscal year are not governed by Exhibit B and are described at 8.5 below.

Section 7.3 Corporate Powers Exercised by Board

Subject to the provisions of the Articles of Incorporation of the Corporation (the “Articles of Incorporation”), California Nonprofit Corporation Law and any other applicable laws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of Directors (the “Board”). ~~The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Board.~~

Section 7.4 Terms, Election of Successors

Newly appointed Directors filling an expiring Directorship shall serve a one-year term. Directors not newly appointed shall serve three~~—~~year terms, if reappointed. Notwithstanding the foregoing, the Board shall have the discretion to make new appointments of new or re-elected Directors for durations that vary from the above in order to ensure that at the beginning of any fiscal year a majority of Director seats do not become vacant and subject to appointment. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Director’s earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law. ~~—~~Newly appointed Directors filling a Directorship that became vacant during the fiscal year shall serve out the remainder of the term of the vacant position and thereafter shall be eligible for three-year appointments. No Director shall serve longer than seven (7) consecutive years. After serving seven (7) consecutive years, Directors must step down for at least two (2) years to be eligible for re-appointment.

8. BOARD VACANCIES

Section 8.1 Events Causing Vacancy

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the authorized number of Directors.

Section 8.2 Removal

The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law. The Board may by resolution and two-thirds vote of the Directors present and voting declare vacant the office of a director ~~-(1) who fails to attend four (4) Board meetings during any twelve month period, or (2)~~ has disrupted, and reasonably appears to intend to continue to disrupt, the lawful and orderly meetings of the Board. Directors who fail to attend three (3) meetings during the first six months of the fiscal year or four (4) meetings during the entirety of the fiscal year, will be automatically removed from the board and not eligible to seek an additional term for a minimum period of two years.

Section 8.3 No Removal on Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.

Section 8.4 Resignations

Except as provided in this Section, any Director may resign by giving written notice to the Chairperson, the President, the Secretary, or the Board of Directors. Such a written resignation will be effective on the later of (i) the date it is delivered or (ii) the time specified in the written notice that the resignation is to become effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

Section 8.5 Election to Fill Vacancies

If there is a vacancy on the Board during the fiscal year, including a vacancy created by the removal of a Director, as soon as practicable after the vacancy occurs the Board shall fill such vacancy by electing an additional director according to the requirements and qualifications set forth above. Nominations for this purpose shall be made from the floor by any Director. If the number of Directors then in office is less than a quorum, additional directors may be elected to fill such vacancies by (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors in office at a meeting held according to notice or waivers complying with section 5211 of the California Nonprofit Corporation Law, or (iii) a sole remaining Director.

Section 8.6 Regular Meetings

The Board shall meet monthly at such time and place (or remotely, in accordance with provisions of the Brown Act) as determined by the Board Chairperson, after consultation with the Board at a board meeting, and posted on the public notice for the meeting. -By resolution and two-thirds vote of Directors present and voting the Board may reduce or subsequently restore the number of monthly board meetings. The conduct of Board meetings, including Special Meetings referenced at 8.7 below, and the format, dissemination, posting and content of agendas for regular and special meetings shall comply with the requirements of the Brown Act.

Section 8.7 Special Meetings

Special meetings of the Board for any purpose may be called at any time by the Chairperson, or a simple majority of Directors, using a one vote per Director (non-weighted) basis.

9. NOTICE OF MEETINGS TO DIRECTORS

Section 9.1 Manner of Giving

Notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- a) Personal delivery of oral or written notice;
- b) First-class mail, postage paid;
- c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- d) Electronic mail ("e-mail") or other means of electronic transmission.

All such notices shall be given or sent to the Director's address, phone number, facsimile number or e-mail address as shown on the records of the Corporation. Any oral notice given personally or by telephone may be communicated directly to the Director or to a person who would reasonably be expected to promptly communicate such notice to the Director. -Notice of regular meetings may be given in the form of a calendar or schedule that sets forth the date, time and place of more than one regular meeting.

Section 9.2 Time Requirements

Notices sent by first-class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone, voice messaging system or other system or technology designed to record and communicate messages, facsimile, e-mail or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.

Section 9.3 Notice Contents

The notice shall state the time and place for the meeting, even if the meeting is scheduled to be held at the principal office of the Corporation. The notice shall include an agenda of all items to be considered.

10. QUORUM AND ACTION OF THE BOARD

Section 10.1 Quorum

A majority of Directors then in office shall constitute a quorum for the transaction of business, except to adjourn.

Section 10.2 Minimum Vote Requirements for Valid Board Action

Every act taken or decision made by a vote of the majority of the Directors present and voting at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws.

Section 10.3 When a Greater Vote Is Required for Valid Board Action

The following actions shall require a vote by a two-thirds majority of all Directors then in office in order to be effective:

- a) Removal of a Director.
- b) Dissolution of the Corporation.
- c) Changes to the frequency of meetings under 8.6 above.

Section 10.4 Validity of Board Action

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, (ii) the requirements of the Brown Act are met.

Section 10.5 Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place subject to the notice requirements of the Brown Act.

Section 10.6 Conduct of Meetings

Meetings of the Board shall be presided over by the Chairperson, or, if there is no Chairperson or the Chairperson is absent, the Vice Chairperson or, in the absence of each of these persons, by a chairperson of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation including the Brown Act.

Section 10.7 Fees and Compensation of Directors

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

Also, Directors may not be compensated for rendering services to the Corporation in a capacity other than as Directors, unless such compensation is reasonable and further provided that not more than 49% of the persons serving as Directors may be “interested persons” which, for purposes of this section only, means:

- a) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 10.8 Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

11. COMMITTEES

Section 11.1 Committees of Directors

The Officers of the Corporation shall constitute an Executive Committee as further described at 12.1 below. Board may, by resolution adopted by a majority of the Directors present and voting, create one or more Board Committees (“Committees”), each consisting of two or more Directors, but not more than a majority of Directors in office. Such Committees may be ad hoc, limited in purpose and duration, or permanent until dissolved by subsequent action of the Board. The Chair of the Board of Directors will appoint the Chair and Director members of each Committee. Members of each Committee may be Directors or other persons. The Chair of the Committee will appoint the non-Directors to the committee. Committees will make recommendations to the Board of Directors for consideration and vote but will have no independent authority including no authority to enter into contracts, agree to expenditures or expend funds.

Section 11.2 Meetings and Action of Board Committees

Meetings of Committees shall be governed by, and held and taken in accordance with the same provisions concerning meetings of Directors, with such changes in the context as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board, and special meetings of Committees

may also be called by resolution of the Board. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records. The Committee shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions by these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules. Permanent committees, including the Executive Committee, are subject to the Brown Act and Public Records Act.

Section 11.3 Quorum Rules for Board Committees

A majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place subject to the notice provisions of the Brown Act. Every act taken or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board. ~~A~~ meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11.4 Revocation of Delegated Authority

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 11.5 Nonprofit Integrity Act/Audit Committee

In any fiscal year in which the Corporation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board shall (i) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant (“CPA”) in conformity with generally accepted auditing standards; (ii) make the audit available to the Attorney General and to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and (iii) appoint an Audit Committee. The Audit Committee shall not include paid or unpaid staff or employees of the Corporation, including, if staff members or employees, the President or chief executive officer or the Treasurer or chief financial officer (if any). If there is a finance committee, members of the finance committee shall constitute less than 50% of the membership of the Audit Committee and the chairperson of the Audit Committee shall not be a member of the finance committee. Subject to the supervision of the Board, the Audit Committee shall:

- a) make recommendations to the Board on the hiring and firing of the CPA;

- b) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Corporation are in order;
- c) approve non-audit services by the CPA and ensure such services conform to standards in the Yellow Book issued by the United States Comptroller General; and
- d) if requested by the Board, negotiate the CPA's compensation on behalf of the Board.

Section 11.6 Advisory Committees

The Board may create one or more advisory committees to serve at the pleasure of the Board. ~~The chair of an advisory committee will be appointed by the Board Chairperson who shall be responsible for appointments to the advisory committee. Appointments to such advisory committees need not, but may, be Directors.~~ Advisory Committees will provide recommendations and input to the Board, but not have the authority to act on behalf of the Board.

12. OFFICERS

Section 12.1 Officers

The officers of the Corporation ("Officers") shall be a Chairperson, Vice Chairperson, a Secretary, a Treasurer, or a Secretary/Treasurer and a Past-Chairperson; ~~or an officer-without-portfolio~~. All officers must be Directors. The Chairperson and Vice Chairperson shall be property owners within the District. The Board shall have the power to designate additional Officers. Officers shall serve as an Executive Committee chaired by the Board Chairperson, and shall make such recommendations to the Board for Board action as it deems appropriate but shall have no independent authority except as may be granted to it by Board resolution. ~~The Past-Chairperson shall be the Director who was Chairperson during the immediately preceding year; should such Director not be available to serve, then the Board shall~~ may select a Director to serve as an officer-without-portfolio as a member of the Executive Committee so that the total of serving Officers is not less than five-four Directors. The term of the Board Chairperson shall not exceed two years.

Section 12.2 Election of Officers

The Officers shall be elected by a majority vote of Directors present and voting at the first meeting of the Board during the fiscal year of the Corporation, for a term of one year, and each shall serve at the discretion of the Board until his or her successor shall be elected, or his or her earlier resignation or removal.

Section 12.3 Removal of Officers

Any Officer may be removed and replaced, with or without cause, by a majority of the Directors present and voting, at any regular or special meeting of the Board.

Section 12.4 Resignation of Officers

Any Officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any of the Corporation under any contract to which the Officer is a party.

Section 12.5 Vacancies in Offices

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis. In the event of a vacancy in any office other than the Chairperson such vacancy shall be filled temporarily by appointment by the Chairperson, or if none, by the Vice Chairperson, and the appointee shall remain in office for 60 days, or until the next regular meeting of the Board, whichever comes first. Thereafter, the position can be filled only by action of the Board.

Section 12.6 Responsibilities of Officers

Chairperson of the Board. The chairperson of the Board (the “Chairperson”), if any, shall be a Director and shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. The Chairperson shall be a property owner in the District.

Vice Chairperson of the Board. The Vice Chairman shall fulfill the duties of the Chairperson in his or her absence. The Vice Chairperson shall be a property owner, in the District.

Secretary. The secretary of the Corporation (the “Secretary”) shall attend to the following:

- a) Bylaws. The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the original or a copy of these Bylaws as amended to date.
- b) Minute Book. The Secretary shall keep or cause to be kept a minute book.
- c) Notices. The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.
- d) Corporate Records. Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.
- e) Corporate Seal and Other Duties. The Secretary shall keep or cause to be kept the seal of the Corporation, if any, in safe custody, and shall have such other powers and perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws.

Treasurer. The treasurer of the Corporation (the “Treasurer”) shall attend to the following:

- a) Books of Account. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.
- b) Financial Reports. The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- c) Deposit and Disbursement of Money and Valuables. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board; shall render, or cause to be rendered to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation; and shall have other powers and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.
- d) Bond. If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

Section 12.7 Chief Executive

Subject to such supervisory powers as may be given by the Board to the Chairperson or President, the Board may hire a chief executive who shall be the general manager of the Corporation, and subject to the control of the Board, shall supervise, direct and control the Corporation's day-to-day activities, business and affairs. -The chief executive (who may be referred to as the “chief executive officer” or “executive director”) shall be empowered to hire, supervise and fire all of the employees of the Corporation, under such terms and having such job responsibilities as the chief executive shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment. The chief executive may delegate his or her responsibilities and powers subject to the control of the Board. - He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws. Additionally, the Board may, by resolution, appoint the chief executive as an Officer.

Alternatively, the management of the Corporation may be conducted by an organization selected by the Board, subject to a management agreement reviewed

and approved by the Board, in which case the Corporation may maintain, engage, supervise or terminate no employee, but rather shall appropriately supervise and hold accountable the management company for the performance of contracted duties.

13. TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS; DIRECTOR CONFLICTS OF INTEREST

Section 13.1 Transactions with Directors and Officers

13.1.1 Interested Party Transactions

Except as described elsewhere, the Corporation shall not be a party to any transaction:

- a) in which one or more of its Directors or Officers has a material financial interest, or
- b) with any corporation, firm, association, or other entity in which one or more Directors or Officers has a material financial interest.

13.1.2 Requirements to Authorize Interested Party Transactions

The Corporation shall not be a party to any transaction unless:

- a) the Corporation enters into the transaction for its own benefit;
- b) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into;
- c) prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith, and with knowledge of the material facts concerning the transaction and the interested Director's or Officer's financial interest in the transaction;
- d) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
- e) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (a) through (d) of this Section.

13.1.3 Material Financial Interest

A Director or Officer shall not be deemed to have a "material financial interest" in a transaction:

- a) if the contract or transaction is part of a public or charitable program of the Corporation and it (1) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families only because they are in the class of persons intended to be benefited by the program; or

- b) where the interested Director has no actual knowledge of the transaction and it does not exceed the lesser of one percent of the gross receipts of the corporation for the preceding year or \$100,000.

Section 13.2 Loans to Directors and Officers

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer.

Section 13.3 Interlocking Directorates

No contract or other transaction between the Corporation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Director(s) are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if (i) the material facts as to the transaction and as to such Director's other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s) (subject to the quorum provisions of these bylaws); or if (ii) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.

Section 13.4 Duty of Loyalty

Nothing shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Corporation.

Section 13.5 Director Conflicts of Interest

13.5.1 As referenced in 3.1, above, the Corporation is, under applicable state law, an Owner's Association whose activities, in managing the business improvement district, are for the economic benefit of the District generally and the property owners therein specifically. Participation in the work of the Corporation for this purpose is not prohibited by 4.2 above.

13.5.2 To avoid breaching his or her fiduciary duties under these By-Laws, including but not limited to the absolute duty of loyalty under 13.4 above, a Director shall, in addition to adhering to the requirements otherwise set forth in this Section, disclose and avoid any conflict of interest between his or her interests (including the interests of his or her employer, affiliates, family members) and the interests of the Corporation including the goals of the Management Plan of the District.

13.5.3 "Conflict of Interest" for this purpose is to participate in any Board or committee action that is specific and exclusive to the Director's real property or business and not to other real properties or businesses within the District, and that directly and materially benefits, or may directly and materially benefit, the Director (including the interests of his or her employer, affiliates, family members) to the potential detriment of other real properties or businesses within the District.

13.5.4 “Participate” under 13.5.3 above is to cast a vote, in committee or at a Board meeting on any applicable motion, resolution or proposal, or to advocate for or against any motion for action, study, deferral, or tabling after such motion has been duly made. However, providing information to the Board or a committee at the request of the Board Chairperson or committee chair is not a participation in an action under these By-Laws and does not constitute a conflict-of-interest.

14. INDEMNIFICATION AND INSURANCE

Section 14.1 Indemnification

The Corporation shall indemnify its Officers, Directors or former Directors against expenses actually and necessarily incurred by them in connection with the defense of an action, suit, or proceeding, in which they or any of them are made parties, or a party, by reason of having been Directors of the Corporation, except in relation to matters as to which such director shall be settled by agreement predicated on the existence of such liability for gross negligence or misconduct.

Section 14.2 Insurance

The Corporation shall maintain a policy of officers and directors and general liability insurance from an A rated or better insurance carrier.

15. CORPORATE RECORDS, REPORTS AND SEAL; BUDGET AND FINANCIAL REPORTING

Section 15.1 Minute Book

The Corporation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

Section 15.2 Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. “Correct books and records” includes, but is not necessarily limited to: -accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses. Financial records will be maintained in accordance with Generally Accepted Accounting Principles (GAAP), or other professional standard that may be required for the Corporation’s activities.

Section 15.3 Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 15.4 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The Corporation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Code.

Section 15.5 Annual Report; Statement of Certain Transactions

The Board shall cause an annual report to be sent to each Director and made available electronically to the public within 120 days after the close of the Corporation's fiscal year, containing the following information:

- a) The assets and liabilities of the Corporation as of the end of the fiscal year.
The Corporation shall operate on a calendar year as its fiscal year.
- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for this fiscal year;
- d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year;
- e) A statement of any transaction (i) to which the Corporation, its parent, or its subsidiary was a party, (ii) which involved more than \$50,000 or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a financial interest):
 - a. Any Director or Officer of the Corporation, its parent, or its subsidiary;
 - b. Any holder of more than 10% of the voting power of the Corporation, its parent, or its subsidiary.
- f) The statement shall include: (i) a brief description of the transaction; (ii) the names of interested persons involved; (iii) their relationship to the Corporation; (iv) the nature of their interest in the transaction, and; (v) when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.
- g) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director.

Section 15.6 Directors' Rights of Inspection

Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Corporation and each of its subsidiaries. —The inspection may be made in person or by the Director's agent or attorney. —The right of inspection includes the right to copy and make extracts of documents. —The Corporation may require reasonable

reimbursement for the actual costs of reproducing requested materials and shall not be liable for the costs incurred by the Director for said inspecting agent or attorney.

Section 15.7 Corporate Seal

The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 15.8 Budget and Financial Reporting

The Board shall adopt, by majority vote of Directors present and voting, not later than at the first meeting of each fiscal year, a Budget for the designated fiscal year in such form and in such amounts as the Board may determine at its sole discretion.

During the fiscal year, the Board shall review, at each board meeting, the financial status of the Corporation and District, including revenues received, expenditures made, assets and liabilities, cash flows, and an actual-to-budget report showing the status of the Budget against actual revenues received and expenditures made.

The Board may amend the Budget during the fiscal year in the same manner as the Budget was adopted.

16. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 16.1 Execution of Instruments

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

Section 16.2 Checks and Notes

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer, Secretary, Vice Chairperson or Chairperson. Non-contracted payments of over \$5,000 shall be and countersigned by two parties~~the Chairperson if the amount is over \$5,000.00.~~ Notwithstanding the foregoing, should the Board contract with an organization ~~such as the local Chamber of Commerce~~ to administer services provided by the District, such organization is authorized to execute checks, or payments, from the account of the Corporation under this section for the purpose of making payments to vendors or service providers for which the Board has entered into a contract, provided (1) that such payment does not exceed the board-adopted budget, and (2) such payment is promptly reported by the organization to

the Treasurer or Chairperson and entered properly into the books of account of the Corporation.

Section 16.3 Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select, and entered properly into the books of account of the Corporation.

Section 16.4 Gifts

The Board may accept, either by resolution or adoption of a budget that includes the following, on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the Corporation.

17. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, including applicability of state law establishing Owner's Association for the purpose of administering business improvement districts, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

18. AMENDMENTS

The Board may adopt, amend or repeal bylaws by majority vote of Directors then in office. Such power is subject to the following limitations:

Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by these By-Laws or law, such provision may not be altered, amended or repealed except by the vote of such greater number.

No amendment may extend the term of a Director beyond that for which such Director was elected.

If bylaws are to be adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefor, is given in accordance with these Bylaws.

Certificate of Secretary

I certify that I am the duly elected Secretary of the Downtown Action Organization Incorporated, a California nonprofit public benefit corporation; that these Amended Bylaws, consisting of ~~2019~~ pages, are the Bylaws of this Corporation as adopted and amended by a resolution of the Board of Directors on ~~January 21, 2026~~November 20, 2024; and that these Bylaws have not been amended or modified since that date.

Executed on _____ at Santa Rosa, California.

~~Chris Denny~~Beau Anderson
Secretary

EXHIBIT A: Community Benefit District Map

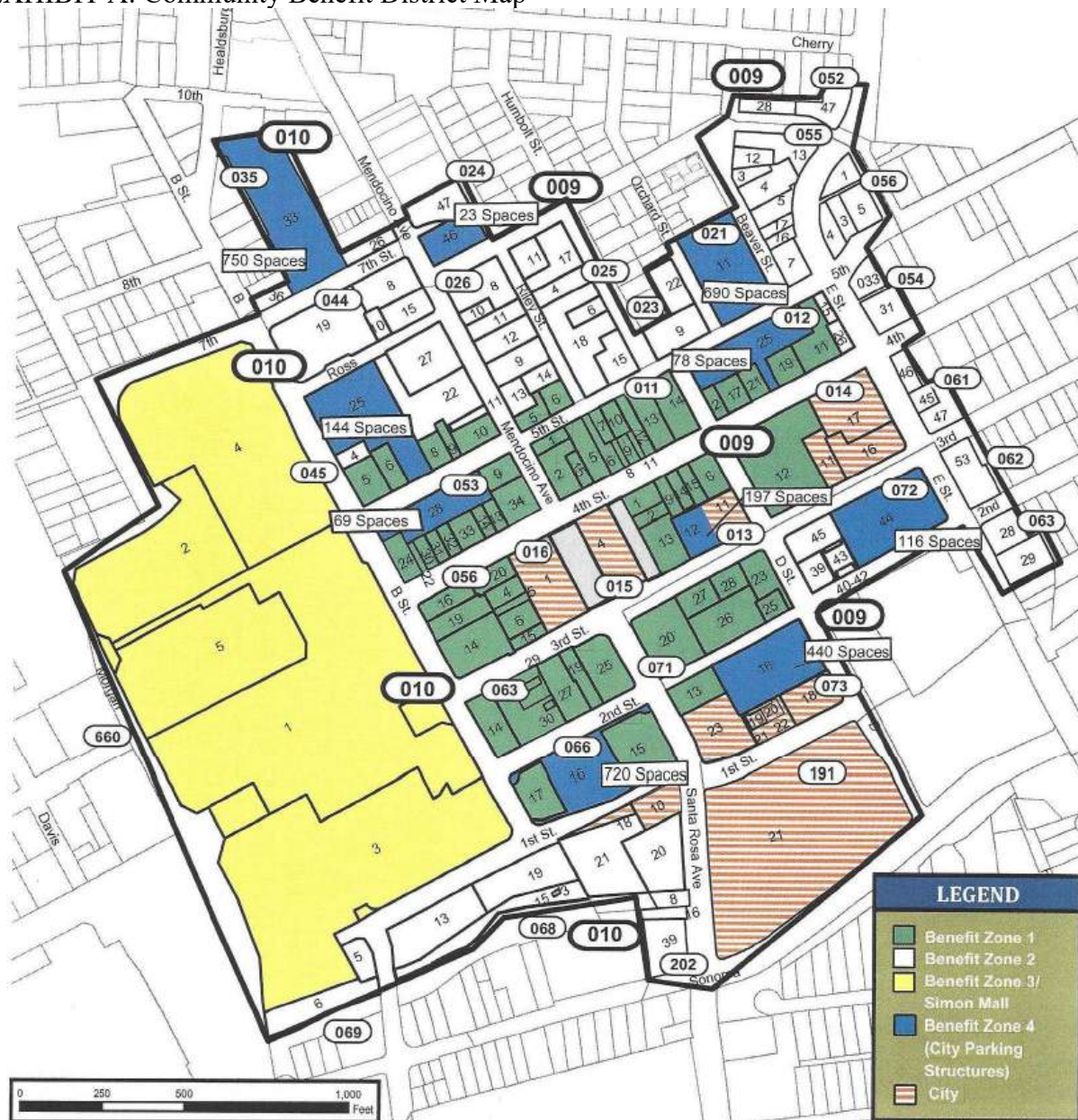


EXHIBIT B: Procedure to Elect DAO Board Members

1. The Nominating Committee will present its recommendation.
2. Prior to Board discussion, the Chair will ask for any public comment on this item. Following public comment, discussion will be limited to board members and DAO staff.
3. The Chair will open the floor for board comment. Motions will not at this time be entertained. Board members will seek recognition through the Chair.
4.
 - a. The Chair will close discussion and open the floor for motions. Members will seek recognition from the Chair. A motion must be clearly stated and receive a second prior to discussion of the motion.
 - b. Possible motions include:
 - i. approval of the Nominating Committee without change;
 - ii. modification of the recommendation by deleting one or more individuals and substituting one or more others;
 - iii. proposing an entirely different slate of new members; or
 - iv. taking up individual appointments one at a time until all vacancies are filled.
5. Should any motion result, if approved, in a violation of the by-laws because less than a two-thirds proportion of board membership by property owners will result, the Chair will afford the maker and second an opportunity to withdraw and restate the motion.
6. The Board will discuss the motion. Members will seek recognition from the Chair.
7. When discussion on the motion has ended, the Chair will ask for the ayes and nays by voice vote. Individual votes on the motion will be recorded in the minutes. The Chair will announce the results of the vote. Should the motion pass, persons approved shall be board members.
8. Should the motion fail, or should further appointments be necessary, steps 4 through 7 will be repeated until all appointments are made.