

**BYLAWS
OF
CENTRAL MARKET COMMUNITY BENEFIT CORPORATION
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE 1
NAME, OFFICES & PURPOSES**

SECTION 1. NAME

The name of the corporation is the Central Market Community Benefit Corporation (the “Corporation”).

SECTION 2. PRINCIPAL OFFICE

The principal office of the Corporation for the transaction of its business is located in the City and County of San Francisco, California.

SECTION 3. CHANGE OF ADDRESS

The location of the Corporation’s principal office may be changed by resolution of the Board of Directors of the Corporation (the “Board of Directors” or the “Board”) to another location within the City and County of San Francisco. Any such change shall be recorded by the Secretary in the records of the Corporation.

SECTION 4. OTHER OFFICES

The Corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

SECTION 5. PURPOSES

A) This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

B) This Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal

Revenue Code. Solely for the above purposes, the Corporation is empowered to exercise all rights and powers conferred by the laws of the State of California upon nonprofit corporations, including, but without limitation thereon, to receive gifts, devises, bequests and contributions in any form, and to use, apply, invest and reinvest the principal and/or income therefrom or distribute the same for the above purposes.

C) The specific purposes for which this Corporation is organized are as follows:

1) To bring about the revitalization of the Central Market Community Benefit District, as defined in Article 13 of these Bylaws (the "CMCBD") for the benefit of all members of (a) the City and County of San Francisco community and (b) the CMCBD, including residents, employees and clients of businesses, government agencies and nonprofit organizations, property owners and visitors.

2) To bring about the increased investment of private and public capital within the CMCBD for the public and charitable benefit of the CMCBD and the City and County of San Francisco.

3) To promote sustainable economic growth within the CMCBD and in the City and County of San Francisco.

4) To bring about the increased provision of quality public improvements and educational, cultural, artistic, charitable, and social services within the CMCBD for the public and charitable benefit of the CMCBD community and the City and County of San Francisco community.

5) To promote the increased economic and social well-being of the CMCBD community and the City and County of San Francisco community.

D) Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170(c)(2) or the Internal Revenue Code.

E) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate 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.

**ARTICLE 2
NO MEMBERSHIP**

This Corporation shall have no members, as that term is defined in Section 5056 of the California Corporations Code.

Nothing in these Bylaws shall be construed as limiting the right of the Corporation to refer to persons associated with it 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 with the Corporation as provided by Section 5332 of the California Corporations Code, and no such reference shall constitute anyone a member of this Corporation.

**ARTICLE 3
ELECTION & QUALIFICATIONS OF DIRECTORS**

SECTION 1. NOMINATION AND ELECTION

A) Not less than forty-five (45) days before the date set for the annual meeting of the Directors: the President of the Corporation shall appoint at least three (3) persons to serve as the Nominating Committee, which shall include the President and immediate past President, if there is one, to nominate candidates for the election of Directors, and, subject to the nominees’ consent, the names so nominated shall be presented to the Board of Directors in sufficient time to allow the Board to vote on the nominees at the next annual meeting. Any Director may, at such meeting, nominate any other persons meeting the qualifications set forth in Section 2 of this Article 3 as candidates for election to the Board.

B) At the annual meeting, each Director (including the Directors whose terms of office expire as of the date of such meeting) shall be entitled to cast one vote for each Board vacancy to be filled. Cumulative voting shall not be permitted. A Director may cast his or her vote either in person at the annual meeting or by submitting a written ballot to the Secretary of the Corporation prior to such meeting. The candidates receiving the highest number of votes shall be elected as Directors to fill the vacancies occurring as of the annual meeting.

SECTION 2. QUALIFICATION

A) To be eligible for nomination and election to the Board, an individual must: (1) be (or represent) a real property owner that has fully paid into the CMCBD, as approved by ordinance by the San Francisco Board of Supervisors in October 2006, (2) be (or represent) a merchant operating a

business within the boundaries of the CM CBD, with a preference given to small business owners operating retail, restaurant and similar pedestrian-oriented, ground floor services with a long-term presence in the community; (3) a resident living within the boundaries of the CM CBD or an employee or board member of a Community Based Organization (“CBO”) that represents residents residing in the CM CBD, (4) an employee or board member of a CBO or an art-related nonprofit organization located within or near the CM CBD or (5) an employee or board member of a nonprofit organization that represents the San Francisco-wide interest in the well-being of the CM CBD.

B) Furthermore, nominations shall be based upon each candidate’s ability to (1) actively participate in the management of the Corporation, including its committees and task forces, for a period of not less than one (1) year, and (2) support the purposes, policies and goals of the Corporation. In addition, nominees shall only be eligible for election to those Board seats for which they qualify as set forth in Article 5. During the Corporation’s first year of operation, the conditions for active participation in one of the Board committees shall be waived.

C) The Board shall make an effort to select nominees that reflect the diverse economic, ethnic and geographic makeup of the CM CBD while also satisfying the Board composition requirements set forth in Article 5. Candidates shall only be eligible for nomination following notice by the Nominating Committee of their nomination by email to Board members, real property owners who have fully paid into the CM CBD, and to residential tenants, business owners and community groups who have requested such notice. Such notice shall be provided to the Board and real property owners who have fully paid into the CM CBD at least forty five (45) days prior to the annual meeting of the Board, and to residential tenants, business owners and community groups who have requested such notice as soon as practicable following request therefore. Individuals who applied but were not nominated by the Nominating Committee shall be encouraged to work on one of the Board’s committees in order to familiarize themselves with goals, functions and activities of the Board.

ARTICLE 5 BOARD OF DIRECTORS

SECTION 1. NUMBER, COMPOSITION AND TERM

A) The Corporation shall have ten (10) Directors, who shall collectively be known as the Board of Directors or the Board. The authorized number of Directors may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation of this Corporation and these Bylaws, the activities and

affairs of this Corporation shall be conducted and all corporate powers shall be exercised by, or under the direction of, the Board.

B) Five (5) Board seats shall be filled by individuals (1) who are owners of real property located in the CMCBD who are subject to and are not delinquent on their CMCBD assessments (or, where such an owner is an entity, its individual representative), and (2) who have been elected by the Board to serve as Directors.

C) Consistent with San Francisco Business and Tax Code Regulation Section 1511(f), two (2) Board seats shall be filled by individuals (1) who are business owners that do not own, or have any ownership interests in, commercial real property located in the CMCBD (or, where such a business owner is an entity, its individual representative), and (b) who have been elected by the Board to serve as Directors.

D) Of the remaining three (3) Board seats: (a) at least two (2) shall be filled by residential tenants residing in the CMCBD or by employees or board members of CBOs that represent residents who reside in the CMCBD, as elected by the Board to serve as Directors, and (2) the remaining Board seat, if any, shall be filled by an employee or board member of a CBO, an art-related nonprofit organization, or a nonprofit organization that represents the San Francisco-wide interest in the well-being of the CMCBD, as elected by the Board to serve as a Director.

E) The Directors shall serve staggered terms of two (2) years, arranged so that approximately one-half of their terms shall expire in any year. Each Director shall hold office until the expiration of the term for which elected and until a successor is elected and qualified.

F) The initial Board of the Corporation shall consist of the individuals whose names are set forth on Exhibit A, attached hereto and incorporated herein by this reference, each of whom shall serve either a one-year or a two-year term, as set forth opposite his or her name.

G) Directors may serve unlimited number of terms, consecutive or otherwise. Directors may be nominated for re-election to the Board prior to the expiration of their terms and re-elected when their terms expire.

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SECTION 2. POWERS & DUTIES

The Board of Directors shall have the following specific powers:

A) Authorize contracts and agreements, borrow and lend funds, accept and make grants and donations, encumber corporate property, contract for services and pay for such services, and undertake all other financial and programmatic actions as are necessary or desirable to further the purposes of the Corporation.

B) Change the principal office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country, and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of the Board.

C) Adopt or alter and use a corporate seal.

It shall be the duties of the Board to:

D) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Corporation, or by these Bylaws.

E) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Corporation and to require from them security for faithful service.

F) Supervise all officers, agents and employees of the Corporation to assure that their duties are performed properly.

G) Meet at such times and places required by these Bylaws.

H) Register their addresses and email addresses with the Secretary of the Corporation, and notices of meetings mailed or sent electronically to them at such addresses shall be valid notices thereof.

SECTION 3. COMPENSATION

Directors shall not receive compensation for their services as Directors, except that they may be reimbursed for actual and necessary expenses incurred in the performance of their duties as Directors (including expenses incurred in attending Board meetings), as may be fixed or determined by resolution of the Board.

Directors may not be compensated for rendering services to the Corporation in any capacity other than Director unless such other compensation is reasonable and is permitted under the provisions of these Bylaws, including Section 7 of this Article 5.

SECTION 4. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, "interested persons" means either:

A) Any person currently being compensated by the Corporation for services rendered it within the previous twelve (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.

Any violation of this Section 4 shall not affect the validity or enforceability of any transaction entered into by the Corporation.

SECTION 5. STANDARD OF CARE –GENERAL

A) A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

B) In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(2) Counsel, independent accountants, or other persons as to matters which the Director believes to be within such persons' professional or expert competence; or

(3) A committee of the Board on which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence,

so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

C) Except as provided in Section 5233 of the California Corporations Code, a person who performs the duties of a Director in accordance with the above shall have no liability based upon any alleged failure to discharge that person's obligations as a Director, including (without limiting the generality of the foregoing), any actions or omissions that exceed or defeat a charitable purpose to which the Corporation is, or assets held by it are, dedicated.

SECTION 6. STANDARD OF CARE –INVESTMENTS.

Except with respect to assets held for use or used directly in carrying out the Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Corporation's investments, the Board shall (1) avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation's capital, and (2) comply with all additional standards, if any, imposed by the Corporation's Articles of Incorporation, these Bylaws, or the express terms of any instrument or agreement pursuant to which the assets were contributed to the Corporation.

SECTION 7. SELF-DEALING TRANSACTIONS.

A self-dealing transaction is one (a) to which the Corporation is a party and (b) in which one or more of the Directors have a material financial interest. The Board shall not approve a self-dealing transaction unless:

A) The Board determines that the Corporation enters into the transaction for its own benefit;

B) The Board determines that the transaction is fair and reasonable as to the Corporation at the time the Corporation enters into the transaction;

C) The Board approves or authorizes the transaction in good faith;

D) The Board's approval or authorization is made by a vote of a majority of the Directors then in office without counting the vote of the interested Director or Directors;

E) The Board's approval or authorization of the transaction occurs prior to consummating the transaction or any part thereof.

F) The Board's approval or authorization is made with knowledge of (i) the material facts concerning the transaction and (ii) the interested Director's or Directors' interest in the transaction; and

G) Prior to approving or authorizing the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

The approval of a self-dealing transaction by a Board committee or person authorized by the Board is valid only if: (i) it was not reasonably practicable to obtain the Board's approval prior to entering into the transaction, (ii) the Board committee or person authorized by the Board approved the transaction in accordance with paragraphs A through G above, and (iii) the Board ratified the transaction at its next meeting by a vote of the majority of the Directors then in office without counting the vote of the interested Director or Directors after determining in good faith that the conditions of clauses (i) and (ii) have been satisfied.

SECTION 8. PLACE OF MEETINGS

Meetings of the Board shall be held at the principal office of the Corporation or at such other place within the City and County of San Francisco so long as notice is provided to all members of the Board in accordance with Sections 11 and 12 of this Article 5. Any meeting, regular or special, may be held by:

A) conference telephone or electronic video screen communication, so long as all Directors participating in such meeting can hear one another; or

B) electronic transmission by and to the Corporation (other than conference telephone and electronic video screen communication) so long as both of the following apply:

(1) All Directors participating in such meeting can communicate with one another concurrently; and

(2) Each Director participating in such meeting is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken.

SECTION 9. REGULAR AND ANNUAL MEETINGS

A) Regular meetings of Directors shall be held at least once each quarter at a time and place as determined by the Board. The Board has the authority to alter the time and place and number of the meetings upon majority vote, provided notification of such change is made to interested CMCBD stakeholders who have provided the Corporation with their street or email addresses for such purpose.

B) An annual meeting of Directors shall be held on the second Tuesday of September each year for the purposes of electing Directors and officers to fill vacancies on the Board occurring on the date of such meeting, and transacting other business that may properly come before the Board.

SECTION 10 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the President, the Vice President, the Secretary, or by any four (4) Directors, and such meeting shall be held at the place, within the City and County of San Francisco designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation.

SECTION 11. NOTICE OF MEETINGS

Annual and regular meetings of the Board may be held without notice. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone or e-mail, subject to waiver of notice as provided in Section 13 of this Article 5. Such notices shall be addressed to each Director at his or her address as shown on the books of the Corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than twenty four (24) hours from the time of the original meeting.

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SECTION 12. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the purpose, place, day and hour of the meeting.

SECTION 13. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transaction of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting, each Director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to such Director.

SECTION 14. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the Directors then in office, provided that in no event shall a quorum consist of less than two Directors or one-fifth of the authorized number of Directors, whichever is greater. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum is not present, and the only motion which the President shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

The Directors present at a duly noticed meeting at which a quorum is initially present may continue to transact business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or by the Articles of Incorporation of this Corporation or these Bylaws.

SECTION 15. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation of this Corporation or these Bylaws,

or provisions of the California Nonprofit Public Benefit Corporation Law, including, but not limited to, those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233), and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 16. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the President of the Corporation, or in his or her absence, by the Vice President of the Corporation or, in the absence of each of these persons, by a chair of the meeting chosen by a majority of the Directors present at the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Roberts Rules of Order; as such rules may be revised from time to time, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation, or with provisions of law.

SECTION 17. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Requests for unanimous written consent shall be sent to the Directors in the same manner as is required for notice of regular and special meetings set forth in Section 11 of this Article 5. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that these Bylaws authorize the Directors to so act, and such statement shall be prima facie evidence of such authority. For the purpose of this Section 17, "all members of the Board" shall not include any "interested directors," as defined in Section 5233 of California Corporations Code.

SECTION 18. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal or any Director, and (2) whenever the authorized number Directors is increased.

The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

The unexcused absence of a Director from three (3) or more consecutive Board meetings shall constitute cause for immediate removal by a vote of the Board.

Directors may be removed, with or without cause, by a majority of the Board, whenever in the Board's judgment the best interests of the Corporation would be served by such removal.

Any Director may resign effective upon giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. 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.

Vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article 5, or (3) the sole remaining Director.

A person elected to fill a vacancy as provided by this Section 18 shall hold office until the next annual election of the Board of Directors or until his or her earlier death, resignation or removal from office.

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term expires.

SECTION 19. NON-LIABILITY OF DIRECTORS

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

SECTION 20. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

A) Directors and Executive Officers. The Corporation shall indemnify its Directors and executive officers to the full extent permitted by the California Nonprofit Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said Law permitted the Corporation to provide prior to such amendment); provided, however, that the Corporation may limit the extent of such indemnification by individual contracts with its Directors and executive officers; and, provided, further, that the Corporation shall not be required to indemnify any Director or executive officer in connection with any proceeding (or part thereof) against the Corporation or its Directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board, or (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the California Nonprofit Corporation Law.

B) Other Officers, Employees and Other Agents. The Corporation shall have power to indemnify its other officers, employees and other agents as set forth in the California Nonprofit Corporation Law.

C) Good Faith. For purposes of any determination under this Bylaw, a Director or executive officer shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe that his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or another expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 20.C shall mean any other corporation or any partnership, joint venture, trust or other enterprise, including any employee benefit plan, of which such person is or was serving at the request of the Corporation as a Director, officer, employee or other agent. The provisions of this Section 20.C shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth by the California Nonprofit Corporation Law.

SECTION 21. INSURANCE

The Corporation shall have the power to purchase and maintain insurance on behalf of any Director, officer or agent of the Corporation, against any liability asserted against or incurred by the Director, officer, or agent in any such capacity or arising out of the Director, officer, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 20 of this Article.

SECTION 22. LOANS

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Director of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director upon the prior consent of the President, provided that in the absence of such advance, such Director would be entitled to be reimbursed for such expenses by the Corporation.

SECTION 23. OPEN MEETINGS

The Corporation shall comply with the open meeting requirements of the Ralph M. Brown Act with regard to its performance of any agreements between the Corporation and the City and County of San Francisco.

ARTICLE 6 OFFICERS

SECTION 1. NUMBER OF OFFICERS

The officers of the Corporation shall be a President, a Vice President, a Secretary, a chief financial officer who shall be designated the Treasurer, and such other officers as may be elected to offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President, and no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged, or verified by two or more officers. The Board (or a committee of the Board) shall review the compensation, including benefits, if any, of the President or Chief Executive Officer and Treasurer or Chief Financial Officer, as applicable, as and when required by state or federal law.

SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Only Board members may serve as officers of this Corporation. Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office for a one-year term or until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first. Officers of the Corporation may serve successive terms without limitation.

SECTION 3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section 4 shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the Corporation. Any resignation as an officer shall not affect the resigning officer's position as a Director of the Corporation. However, an officer's resignation as a Director, as provided in these Bylaws, shall automatically constitute resignation as an officer upon the effective date of resignation as a Director.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors, or, except in the case of an officer appointed by the Board, by any officer upon whom such power of removal may be conferred by the Board. In the event of a vacancy in any office other than that of the President; such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

SECTION 6. REIMBURSEMENTS OF EXPENSES

The Corporation may reimburse expenditures incurred on behalf of the Corporation by its officers in the performance of their duties as officers.

SECTION 7. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chair of the Board of Directors, he or she shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, or other instruments that may from time to time be authorized by the Board of Directors.

SECTION 8. DUTIES OF VICE PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have such other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

SECTION 9. DUTIES OF SECRETARY

The Secretary shall act as secretary of all the meetings of the Board and shall keep the minutes of all such meetings in books proposed for that purpose. He or she shall attend to the giving and serving of all notices of the Corporation, and shall certify corporate documents authorized by the Board. He or she shall perform all other duties customarily incident to the office of Secretary, subject to control of the Board, and shall perform such additional duties as shall, from time to time, be assigned to him or her by the Board.

SECTION 10. DUTIES OF TREASURER

The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board. In general, the Treasurer shall perform all duties incident to the office of the Chief Financial Officer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

ARTICLE 7 COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE & OTHER BOARD COMMITTEES

The Board of Directors may, by a majority vote of Directors, designate four (4) or more of its members (who may also be serving as officers of this Corporation) to constitute an Executive Committee. In addition, the Board may create such other Board committees as from time to time may be required. Each such other Board committee shall consist of at least three (3) members, all of whom shall be Directors of the Corporation. The Board may delegate to (1) the Executive Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, and (2) any other committee that consists solely of Directors any of the powers and authority of the Board, except with respect to:

- A) The filling of vacancies on the Board or on any committee which has the authority of the Board.
- B) The fixing of compensation of the Directors for serving on the Board or on any committee.
- C) The amendment or repeal of Bylaws or the adoption of new Bylaws.
- D) The amendment or repeal or any resolution of the Board which by its express terms is not so amendable or repealable.
- E) The appointment of committees of the Board or the members thereof.
- F) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for open Director seats than can be elected.

G) The approval of any transaction to which this Corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of the Directors then in office, the Board may at any time revoke or modify any or all of the authority delegated to any Board committee, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board.

SECTION 2. OTHER COMMITTEES AND TASK FORCES

The Corporation may have one or more advisory committees and task forces as may from time to time be designated by resolution of the Board of Directors. Such advisory committees and task forces may consist of Directors and non-Directors and may be appointed as the Board determines. Advisory committees and task forces shall act in an advisory capacity only to the Board and shall be clearly titled as advisory committees or task forces. Specifically, advisory committees and task forces may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the Board or Board committees, and implementing Board or Board committee decisions and policies under the supervision and control of the Board or Board committee.

SECTION 3. AUDIT COMMITTEE

The Board shall establish an audit committee, either as a Board committee or an advisory committee, as and when required by Government Code Section 12586(e).

SECTION 4. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees and the calling of special meetings of committees may be set either by resolution of the Board or, if none, by resolution of the committee. Committees shall keep regular minutes of proceedings, cause them to be filed with the corporate records, and report the same to the full Board of Directors from time to time as the Board may require. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees

to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws. Each committee created by the Board shall serve at the pleasure of the Board, and shall be subject to the control and direction of the Board. Each such committee shall act by not less than a majority of the whole authorized number of its members.

ARTICLE 8 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, 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 momentarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, 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 and countersigned by the President of the Corporation.

SECTION 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 of Directors may select.

SECTION 4. GIFTS

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable purposes of this Corporation.

**ARTICLE 9
CORPORATE RECORDS, REPORTS AND SEAL**

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The Corporation shall keep at its principal office in the State of California:

A) Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those presented and the proceedings thereof;

B) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;

C) A copy of the Corporation's Articles of Incorporation and these Bylaws as amended to date, which shall be open to inspection by Directors of the Corporation at all reasonable times during office hours.

SECTION 2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every Director shall have the right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

SECTION 4. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made by the Director in person or by his or her agent or attorney, and the right of inspection includes the right to copy and make extracts.

SECTION 5. ANNUAL REPORT

The Corporation shall mail or deliver to all Directors of the Corporation an annual report not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year, which report shall contain the following information in appropriate detail:

- A) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- B) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- C) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- D) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

SECTION 6. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO DIRECTORS

This Corporation shall mail or deliver to all Directors a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or any transaction in which the Corporation, or its parent or its subsidiary was a party, and in which any Director or officer of the Corporation (or of its parent or subsidiary) had a direct or indirect material financial interest.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000) or which was one of a number of transactions with the same person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnification or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the previous fiscal year to any Director or officer.

Any statement required by this Section 6 shall briefly describe the names of the interested persons involved in such transactions, stating each person's

relationship to the Corporation, the nature of such persons interest in the transaction and, where practical, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

ARTICLE 10 FISCAL YEAR

The fiscal year of the Corporation shall end on June 30th each year.

ARTICLE 11 AMENDMENT OF BYLAWS

These Bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by a majority vote of the Board of Directors, subject to any restrictions required of the CMCBD, or any agreement, regulation or provision of law to which the Corporation is subject. A copy of the proposed amendment or new bylaws shall be included in the notice of meeting given to each Director at which the amendment(s) are to be considered.

ARTICLE 12 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No Director, officer, employee, or other person connected with this Corporation, or any other private individual, shall receive at any time any of the net income or pecuniary profit from the operations of the Corporation or any of its assets, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the Corporation in effecting any of its charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and by law and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on the dissolution or winding up of the Corporation.

ARTICLE 13 CENTRAL MARKET COMMUNITY BENEFIT DISTRICT DEFINED

The CMCBD or “Central Market Community Benefit District” shall mean that portion of the City and County of San Francisco as shown in Exhibit B, attached hereto and incorporated herein by this reference.

Exhibit A

Initial Board of Directors

<u>Name of Director</u>	<u>Seat Description*</u>	<u>Initial Term</u>	<u>Initial Term Expires on</u>
Denice Burian	Property Owner	1 Year	September 9, 2008
Maureen Futtner	CBO	1 Year	September 9 2008
Ron Futtner	Resident	1 Year	September 9, 2008
Doug Dalton	Merchant	1 Year	September 9, 2008
Tony Jodeh	Merchant	1 Year	September 9, 2008
Gregory Johnson	Property Owner	2 Years	September 8, 2009
Jason Kletter	Property Owner	2 Years	September 8, 2009
Rocky Lane	Property Owner	2 Years	September 8, 2009
Michael Yarne	Property Owner	2 Years	September 8, 2009
David Fariello	CBO	2 Years	September 8, 2009

[* DRAFTING NOTE: This column may be used to describe whether the particular Director is a real property owner, a non-property owner, a CBO employee or board member, etc.]

Exhibit B

Description of the Central Market Community Benefit District

CERTIFICATE OF SECRETARY

I, Denise M. Burian, hereby certify:

(1) That I am the duly elected and acting Secretary of Central Market Community Benefit Corporation, a California nonprofit public benefit corporation; and

(2) That the foregoing Bylaws, consisting of twenty six (26) pages, including this one, constitute the Bylaws of said Corporation, as duly adopted by the Directors effective as of March 13, 2007, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of March, 2007.

Denise M. Burian, Secretary, CMCBD