



SAMPLE

**SAMPLE BY-LAWS
OF
THE NYC DISTRICT MANAGEMENT ASSOCIATION, INC.**

Last Updated: 6/16/2008

ARTICLE I

OFFICES

The principal office of the Corporation shall be located at ABC Management Association (DMA), 1234 A Street, New York, NY 10038, or at such other location within the ABC Business Improvement District area (the "District") as the Board of Directors ("Board" or "Directors") may determine.

ARTICLE II

MEMBERS

Section 2.1. Classes of Members. The Corporation shall have five (5) classes of members:

- (a) Class A: Owners of record of real property in the District, which owners have applied for membership by filling out an address card at the principal office of the Corporation (or such other place as the officers of the Corporation shall designate), shall be Class A members of the Corporation.
- (b) Class B: Tenants who are occupants pursuant to a lease of commercial space within the District who are not eligible for Class A membership, which tenants have applied for membership by filling out an address card at the principal office of the Corporation (or such other place as the officers of the Corporation shall designate), shall be Class B members of the Corporation.
- (c) Class C: Tenants who are occupants pursuant to a lease of a dwelling unit and proprietary lessees who are occupants pursuant to a proprietary lease of residential cooperative units within the District who are not eligible for Class A or Class B membership, which tenants and proprietary lessees have applied for membership by filling out an address card at the principal office of the Corporation (or such other place as the officers of the Corporation shall designate), shall be Class C members of the Corporation.
- (d) Class D: One representative appointed by each of the Mayor of the City of New York, the Comptroller of the City of New York, the President of the Borough of Manhattan and the Member of the New York City Council representing the District or, if there is more than one Council Member representing the District, then by the Speaker of the New York City Council, shall be Class D members of the Corporation.
- (e) Class E: One representative appointed from the Community Board within the jurisdiction of the District, and any other member appointed by a non-profit association or organization whose primary purpose is to benefit the District, which party has applied for membership by filling out an address card at the principal office of the Corporation (or such other place as the officers of the Corporation shall designate), shall be a Class E non-voting member of the Corporation.

Section 2.2. Termination of Membership. Membership in the Corporation shall continue until terminated by the resignation, withdrawal or lawful expulsion of a member or upon dissolution and liquidation of the Corporation, or upon the death of any member if such member is an individual or a partnership, and upon dissolution and liquidation if such member is a corporation.

Additionally (1) each Class A membership shall terminate when the Class A member is no longer an owner of record of real property in the District; (2) each Class B membership shall terminate when the Class B member is no longer a tenant who is an occupant pursuant to a lease of commercial space in the District; (3) each Class C membership shall terminate when the Class C member is no longer (i) a tenant who is an occupant pursuant to a lease of a dwelling unit or (ii)

a proprietary lessee pursuant to a proprietary lease of residential cooperative units, in the District; (4) each Class D membership shall terminate when the person who appointed such member is no longer the Mayor of the City of New York, the Comptroller of the City of New York, the President of the Borough of Manhattan, or the New York City Council member representing the District, as the case may be, and (5) each Class E membership shall terminate after two years.

Any right or interest of a member in the Corporation shall terminate upon the termination of its membership for any reason. Any member may resign or withdraw from the Corporation upon thirty (30) days prior notice in writing to the Corporation's Secretary. Such resignation or withdrawal shall be effective thirty (30) days from the date of said notice.

Section 2.3. Termination caused by Absence. Any member duly elected to Class A, B, or C who misses three (3) consecutive meetings of the Board or fails to attend meetings for one consecutive year, was not excused from such meetings, or failed to have a representative attend in their stead, shall be terminated from membership on the Board.

ARTICLE III

MEETINGS OF THE MEMBERSHIP

Section 3.1. Public Annual Meeting. A public annual meeting of the membership for the purpose of electing Directors and transacting such other business as may come before it shall be held each year at such date, time, and place within the District as shall be specified by the Board.

Section 3.2. Special Meetings. Special meetings of the membership shall be held at such time and place within the District as may be designated in the notice of meeting, whenever called by a majority of the Board or the Chairperson of the Board. Such meetings may also be convened upon written demand by members entitled to cast ten percent (10%) of the total number of votes entitled to be cast at such meeting, who may, in writing, demand the call of a special meeting specifying the date and month thereof, which shall not be less than two (2) nor more than three (3) months from the date of such written demand.

Section 3.3. Notice of Meetings. Written notice of membership meetings, stating the place, date, and hour thereof and, unless it is the annual meeting or public hearing, stating that it is issued by or at the direction of the person or persons calling the meeting and indicating the purpose or purposes for which the meeting is called, shall be given personally, by fax, or by mail, to each member entitled to vote at such meeting. If the notice is given personally, by fax, or by first class mail, it shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting; if mailed by any other class of mail, it shall be given not less than thirty (30) nor more than sixty (60) days before such date.

Section 3.4. Quorum. The Board shall fix a date as the record date for determining the members entitled to receive notice of, and vote at, a meeting of members; such date shall be not less than ten (10) nor more than fifty (50) days before the meeting. Except as otherwise provided by law or in the Certificate of Incorporation or in these by-laws, the presence, in person or by proxy, of members entitled to cast one hundredth the total number of votes entitled to be cast, shall constitute a quorum at meetings of members, and the act of a majority of the voting members present at any meeting shall be the act of the members,. A member which is a firm or corporation will be deemed to be present if it is represented by a partner or officer or other proxy.

Section 3.5. Voting. Except as otherwise provided by law or in the Certificate of Incorporation or in the by-laws, and except for the election of Directors, at any meeting duly called and held and at which a quorum is present, a majority of the votes cast at such meeting upon a given question by the members of any or all classes entitled to vote thereon who are present in person or by proxy shall decide such question. At any meeting duly called and held for the

election of Directors at which a quorum is present, those Directors receiving a majority of the votes cast by the members of any class entitled by law to elect Directors as a class, shall be elected.

Section 3.6. Adjournment. If a quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by proxy, shall have the power by a majority of the votes so represented to adjourn the meeting from time to time, without notice other than an announcement, at the meeting, of the date, time and place of the adjourned meeting. Subject to any further notice being required by law, at any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted on the original date of the meeting.

Section 3.7. Action Without a Meeting. Any action required by the laws of the State of New York to be taken at a meeting of the membership, or any action which may be taken at any meeting of the membership, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote thereon.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. General Powers. The business of the Corporation shall be managed by its Board, which shall have general supervision of the Corporation, including all powers not expressly reserved to the membership or expressly granted to others by the Certificate of Incorporation or these by-laws.

Section 4.2. Size of the Board. The number of voting Directors which shall constitute the Board shall be not less than thirteen (13), of which no fewer than seven (7) Directors must be Class A members. The Board, by resolution adopted by vote of a majority of the then authorized number of Directors, may increase or decrease the number of Directors, but in no event shall the number of Directors be less than thirteen (13) and in no event shall the Directors from the Class A members constitute less than a majority of Directors.

Section 4.3. Election of Directors. Directors shall be elected in accordance with the provisions of Section 3.5 of these by-laws. The members of Class A shall elect not less than seven (7) Directors to represent them on the Board from among their number or, if any members be a corporation or partnership, from among the representatives of such member. In no event shall the number of Directors elected from Class A constitute less than majority of the entire voting Board. The members of Class B shall elect not less than one (1) Director to represent them on the Board from among their number or, if any member be a corporation or partnership, from among the representatives of such member. The members of Class C shall elect not less than one (1) Director to represent them on the Board from among their number or, if any member be a corporation or partnership, from among the representatives of such member. One Class D Director shall be appointed by each of the following: the Mayor of the City of New York, the Comptroller of the City of New York, the Manhattan Borough President and the New York City Council member representing the District.

Section 4.4. Non-Voting Directors. A representative of each Community Board within the jurisdiction of the District shall be nominated by the Chairperson of each such Community Board to serve as a non-voting Director. Additionally the non-Community Board members of Class E shall elect up to three (3) non-voting Directors to represent them on the Board from among their number or, if any members be a corporation or partnership, from among the representatives of such member.

Section 4.5. Classification of Directors: Terms of Office. The Directors shall be classified, with respect to the terms for which they severally hold office, into two classes, as follows: Class I to hold office initially for a term expiring at the next succeeding annual meeting of the membership and Class II to hold office initially for a term expiring at the second succeeding annual meeting of the membership, with the directors of each class to hold office until their successors are duly elected and qualify. At each annual meeting of the membership, the successors to the class of Directors whose term expires at such meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the second year following the year of their election. The Directors in each class shall be as follows:

Class I: One half of all Class A Directors (or, if not evenly divisible, the majority of Class A Directors)

All Class D Directors

Class II: One half of all Class A Directors (or, if not evenly divisible, the minority of Class A Directors)

All Class B Directors

All Class C Directors

Section 4.6. Vacancies, Resignations and Removals. In the event of a vacancy created by the death, resignation or incapacity to act of a Director elected by the Class A, B, C and E members, the Board, by a vote of the majority of Directors then in office, shall elect a new Director from the respective class. In the event of a vacancy created by the death, resignation or incapacity to act of a Class D Director, the official empowered to appoint such Director shall appoint a new Class D Director. In the event of a vacancy created by the death, resignation or incapacity to act of a Community Board Director, a new Director shall be appointed by the respective Community Board. A Director elected to fill a vacancy shall hold office until the expiration of the term of the Director being replaced and until the election (or appointment) and qualification of a successor.

Any Director may resign by a notice in writing to the Chairperson or Secretary. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

Any Class A, B, C, or E director may be removed at any time with or without cause by the vote of the class which elected such member. A Class D Director may be removed with or without cause by the public official who appointed such Director. Additionally, any Class D Director shall be removed when the official who appointed such member no longer holds an office which entitles him or her to appoint a member to Class D membership. Upon such removal the newly elected official empowered to make an appointment to Class D membership shall appoint a new member to Class D who shall serve as a Director.

Section 4.7. (a) Committees. The Board, by a resolution adopted by a majority of the entire Board may designate from among its members an Executive Committee, a Nominating Committee, a Finance Committee, an Audit committee, and such other standing committees as the Board from time to time may find appropriate and shall establish by Resolution. Each standing committee shall consist of at least three (3) Directors, each of which, to the extent provided in such resolution, shall have the authority of the Board, except that no such committee shall have the authority as to the following matters:

- (i) the submission to members of any action requiring members' approval under the laws of the State of New York;
- (ii) the filling of vacancies in the Board of Directors or in any committee;
- (iii) the fixing of compensation of the Directors for serving on the Board or on any committee of the Board;
- (iv) the amendment or repeal of these By-laws or the adoption of new by-laws; and

- (v) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.

(b) Executive Committee. The Executive Committee shall be composed of all of the Officers of the Corporation and, at the discretion of the Chairperson, up to two (2) Directors (who are not officers), appointed by the Chairperson, subject to the approval of the Board. In addition, the Director appointed by the Mayor shall be a member of the Executive Committee. The Chairperson shall serve as the Chairperson of the Executive Committee. The Executive Committee shall have and may exercise all of the powers of the Board when the Board is not in session, provided that the Executive Committee shall be at all times accountable to and subject to the control of the Board, and provided further that the Executive Committee shall have no authority as to the following matters: (i) the submission to the Members of any action requiring Members' approval by law; (ii) the filling of vacancies on the Board; (iii) the amendment or repeal of the By-laws or the adoption of new by-laws; (iv) the amendment or repeal of any Resolution of the board which by its terms shall not be so amendable or repealable; and (v) the removal of Directors.

(c) Nominating Committee. The Nominating Committee shall be composed of those Officers of the Corporation who, by written notice to the Chairperson, elect to be members of the Committee and, at the discretion of the Chairperson, no less than two (2) Directors (who are not Officers) appointed by the Chairperson, subject to the approval of the Board. The Nominating Committee shall be responsible for preparing a slate of candidates for the Board of Directors from those Classes of Members which elect Directors.

(d) Finance Committee. The Finance Committee shall be chaired by the Treasurer and composed of those Officers of the Corporation who, by written notice to the Chairperson, elect to be members of the committee, and at the discretion of the Chairperson, no less than two (2) directors (who are not officers) appointed by the Chairperson, subject to the approval of the Board. In addition, the Directors appointed by the Mayor and the Comptroller shall be members of the Finance Committee. The Finance Committee shall formulate financial policies for review and approval by the Board; shall formulate an annual Budget containing a complete plan of proposed yearly expenditures and estimated revenues for each fiscal year of the Corporation for approval by the Board; and shall conduct such other activities as re assigned to it from time to time by the Board.

(e) Audit Committee. The Audit Committee shall be composed of those Officers of the Corporation who, by written notice to the Chairperson, elect to be members of the Committee, and at the discretion of the Chairperson, no less than two (2) Directors (who are not officers) appointed by the Chairperson, subject to the approval of the Board. In addition, the Directors appointed by the Mayor and the Comptroller shall be members of the Audit Committee. The Audit Committee shall recommend an auditor for the Corporation to be appointed by the Board; shall define the scope of the audit to be performed, shall review the annual financial statements of the Corporation prior to their submission to the Corporation Members; and shall conduct such other activities as are assigned to it from time to time by the Board.

(f) Other Standing Committees. The Chairperson shall designate subject to the approval of the Board, from among the Directors and the Members of the Corporation, other Standing Committees, each consisting of three (3) or more Directors, as the Chairperson may deem appropriate, provided that any Officer of the Corporation may elect by written notice to the Chairperson to become a member of any Standing Committee. The Chairperson may be a member, ex-officio, of each Committee. The Chairperson may appoint non-voting Members and non-Members to any such Committee. Each committee shall serve at the pleasure of and be responsible to the Chairperson and to the Board.

(g) Committee Procedures. Unless otherwise provided by the Board or these by-laws, each Committee shall have the power to determine the times, places and manner of calling their

meetings and their rules of procedure. At every meeting of a Committee a quorum must be present in person or by proxy for the transaction of business. A quorum shall consist of the greater of three (3) or one-half of the members of the committee entitled to vote. Action by Committee may be taken upon the affirmative vote of a majority of members present and entitled to vote; provided, however, that any Committee may establish a greater than majority voting requirement. Each Committee shall keep minutes of its meetings and report the same to the Board.

Section 4.8. Regular Meetings. The Board shall meet at such times and such places as may be determined by action of the Board with five (5) days; notice by mail, telephone or fax.

Section 4.9. Special Meetings. Special meetings of the Board may be called at any time by the Chairperson or a majority of the Directors on five (5) days' notice by mail, telephone or fax.

Section 4.10. Quorum and Voting. At every meeting of the Board a quorum must be present for the transaction of business. A quorum shall consist of one half of the entire Board. Except as otherwise provided by law or in the Certificate of Incorporation or these by-laws, action at Board meeting may be taken upon affirmative vote by a majority of Directors present and entitled to vote. Each Director shall have one vote, with the exception of any Class E and Community Board Director who shall be non-voting Directors.

Section 4.11. Adjournment. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting to another time and place, and the meeting may be held without further notice or waiver, except that notification shall be given to any Director not present at the meeting being adjourned.

Section 4.12. Action without a Meeting. Any action required or permitted to be taken at any meeting by the Board or any committee thereof may be taken without a meeting if all of the members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action and the resolution and the written consents are filed with the minutes of proceedings of the Board or the committee.

Section 4.13. Meeting by Conference Telephone. Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 4.14. Compensation. Directors shall not receive any compensation for their services as Directors or committee members unless payment of such compensation is specifically approved by the Board for the performance of services for the Corporation. Directors may be reimbursed for their reasonable expenses of attendance at any meetings or other functions of the Corporation or the Board, or any committee thereof.

Section 4.15. Annual Report of Directors. At each Annual Meeting of the Members, the Board of Directors shall present a report verified by the Chairperson and Treasurer or by a majority of Directors showing in appropriate detail the following or as otherwise may be required by law: (a) the assets and liabilities of the Corporation as of the end of a twelve (12) month fiscal period terminating not more than six (6) months prior to the meeting; (b) the principal changes in assets and liabilities during the fiscal period; (c) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes for that fiscal period; (d) the expenses or disbursements of the Corporation, for both general and restricted purposes for said fiscal period; and (e) the number of Members of the Corporation as of the date of the report, together with a statement of any increase or decrease in such number during said fiscal period, and a statement of the place where the names and addresses of the current members may be found. The foregoing report shall be filed with the records of the Corporation and a copy or an abstract thereof

shall be entered in the minutes of the proceedings of the Annual Meeting. The report shall be put before the membership at the Annual Meeting of Members for their acceptance. Given that a quorum is achieved, a majority of votes cast in favor of accepting the report shall result in the report being accepted. Every Member shall be notified at least thirty (30) days prior to the Annual Meeting of Members that a copy of the Annual Report is available for inspection or copying at the offices of the Corporation.

Section 4.16. Interim Board of Directors. Notwithstanding Sections 4.3 hereof (Election of Directors), there shall be an Interim Board of Directors as defined in this Section, which Interim Board shall exercise all of the powers of the Corporation specified in Section 4.1 hereof (General Powers) until such time as the Election of Directors as outlined above shall become effective.

The Interim Board of Directors shall consist of the Incorporators of the Corporation.

ARTICLE V

OFFICERS

Section 5.1. Appointment of Officers. The Board shall appoint the officers of the Corporation. Such officers shall include a Chairperson, one or more Vice-Chairpersons, a Treasurer, and a Secretary, and may include such other officers as the Board from time to time shall find appropriate. The officers shall exercise the powers and perform the duties designated in these By-laws and such other duties that usually pertain to their respective offices or as are properly delegated or assigned to them from time to time by the Board or Chairperson. Each officer shall hold office for such term as will be prescribed by the Board and until a successor has been appointed and qualified.

Section 5.2. Powers and Duties.

- (a) Chairperson: The Chairperson shall be the Chief Executive Officer of the Corporation, with authority to direct and supervise the activities of all other officers and any employees, to preside at all meetings of the Board and/or members, to be a member ex-officio of all committees (without a vote), to have the power to sign for the Corporation all deeds and other instruments, and to perform such acts as usually pertain to the office of Chairperson.
- (b) Vice-Chairperson: During the absence or disability of the Chairperson, the Vice-Chairperson or, if there shall be more than one, the Senior Vice-Chairperson shall have all the powers and functions of the Chairperson. Each Vice-Chairperson shall perform such duties as the Board shall prescribe.
- (c) Secretary: The Secretary shall keep minutes of the proceedings of the Board, and shall give, or cause to be given, all notices in accordance with the provisions of these By-laws or as required by law. The Secretary shall be custodian of the corporate records, custodian of the corporate seal, maintain membership roles and in general shall perform general all the duties incident to the office of Secretary and such other duties as may be assigned by the Board.
- (d) Treasurer: The Treasurer shall have the custody of the Corporation's funds, and shall keep correct and complete books and records of account. The Treasurer shall prepare and certify all financial reports of the Corporation, or cause the same to be prepared and certified by a firm of certified public

accountants, and in general shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board.

Section 5.3. Removals. Any officer may be removed with or without cause by a majority vote of the Board of Directors. The removed officer may be replaced by a majority vote of the Board.

ARTICLE VI

AMENDMENTS

These By-laws may be amended or repealed at the Annual Meeting of the members or any meeting of the Board, provided that written notice of the proposed amendment or repeal has been sent to each voting member or director of the Corporation, as the case may be, at least five (5) days in advance of the date set for the meeting.

If any By-law regulating an impending election of Directors is adopted, amended, or repealed by the Board, there shall be set forth in the notice of the next meeting of the members for the election of Directors, the By-laws so adopted, amended, or replaced, together with a concise statement of the changes made.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall be July 1st through June 30th.

Section 7.2. Checks. All checks, contracts, or demands for money and notes of the Corporation of less than \$1,000 shall be signed by any one of the following: Chairperson, Vice-Chairperson, Secretary, Treasurer or such other person as the Board may from time to time designate.

All checks, contracts, or demands for money and notes of the Corporation in excess of \$1,000 shall be signed by the Chairperson and any one of the following: Vice-Chairperson, Secretary, Treasurer or such other person as the Board may from time to time designate.

Section 7.3. Waiver of Notice. Whenever any notice is required to be given under the provisions of the laws of the State of New York, the Certificate of Incorporation of the Corporation, or the By-laws, a waiver thereof in writing, signed by the Chairperson, Vice-Chairperson, Secretary, or Treasurer of the Corporation or the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 7.4. Year-End Fiscal report. A year end fiscal report shall be presented to the membership at the annual membership meeting.

ARTICLE VIII

INDEMNIFICATION

The Corporation shall, to the fullest extent permitted by law, purchase and maintain insurance to indemnify its Directors or officers and indemnify and advance expenses to each individual made, or

threatened to be made, a party to any action by reason of the fact that such individual is or was a Director or officer of the Corporation or served any other corporation or entity at the request of the Corporation.

ARTICLE IX

INVESTMENTS

Section 9.1. Investments and Proxies. The Board shall have the power to make investments of the funds of the Corporation and to change the same and may sell, from time to time, any part of the securities of the Corporation or any rights or privileges that may accrue thereon. Investments will be limited to the following: FDIC insured accounts or securities backed by the full faith and credit of the United States government or the governments of New York State or New York City.

Section 9.2. Transfer and Assignment. The Board may authorize any officer, Director or other person or persons to execute such form of transfer or assignment as may be customary or necessary to constitute a transfer of bonds or other securities in the name of or belonging to the Corporation. A corporation or person transferring any such bonds or other securities pursuant to a form of transfer or assignment so executed shall be fully protected and shall not have any duty to inquire whether or not the Board has taken action in respect thereof.

SAMPLE