

**BYLAWS  
OF THE  
MOUNT VERNON TRIANGLE BUSINESS IMPROVEMENT DISTRICT**

**Amended and Restated  
June 21, 2012**

**Article I.**

**Name**

The name of the corporation is: Mount Vernon Triangle Business Improvement District (the "Corporation").

**Article II.**

**Purposes of the Corporation**

The Corporation has been organized under the District of Columbia Nonprofit Corporation Act to operate exclusively to promote the general welfare of the residents, employers, employees, property owners, commercial tenants, consumers, and the general public within the BID's geographic area by preserving, maintaining, and enhancing the economic health and vitality of a BID area as a community and business center as the "Mount Vernon Triangle Business Improvement District" (the "BID area") as defined in the Business Improvement Districts Act of 1996, Section 1-2271 *et seq* of the D.C. Code, as amended (the "BID Act"), and such additional area as is added pursuant to the BID Act and for such other purposes as are set forth in the Corporation's Articles of Incorporation. As such, the Corporation's purposes are to (i) lessen the economic blight of the area by performing many of the functions of a local economic development agency and promoting economic development in the BID area; (ii) promote business development in collaboration with commercial property owners in the BID area; (iii) combat community deterioration by eliminating the physical and economic causes of such deterioration; and (iv) obtain grants and execute other initiatives to enhance economic revitalization.

**Article III.**

**Offices and Registered Agent**

Section A. Offices. The Corporation shall continuously maintain in the District of Columbia a registered office at such place as may be designated by the Board of Directors. The principal office of the Corporation and such other offices as it may establish shall be located at such place(s), either within or without the District of Columbia, as may be designated by the Board of Directors.

Section B. Agent. The Corporation shall continuously maintain within the District of

Columbia a registered agent, which agent shall be designated by the Board of Directors.

Section C. Changes. Any change in the registered office or registered agent of the Corporation shall be accomplished in compliance with the District of Columbia Nonprofit Corporation Act and as provided in these Bylaws.

## **Article IV.**

### **Board of Directors**

Section A. General Powers and Duties. The affairs and property of the Corporation shall be managed, controlled and directed by a Board of Directors. The Board of Directors shall have, and may exercise, any and all powers provided in the Articles of Incorporation, the BID Act or the District of Columbia Nonprofit Corporation Act, which are necessary or convenient to carry out the purposes of the Corporation.

### Section B. Composition of the Board of Directors.

1. The number of Directors constituting the Board of Directors shall be fixed by resolution of the Board of Directors, but shall not be less than 9 or more than 19.
2. Until 120 days after the Corporation becomes registered as a "BID corporation," as defined in the BID Act, or such earlier time as may be provided by resolution of the Board of Directors, the entire Board of Directors shall consist of the three Directors constituting the initial Board of Directors, as set forth in Article Thirteen of the Articles of Incorporation, or such larger number of Directors as the initial Board of Directors may designate; thereafter, the entire Board of Directors shall be comprised of such number of Directors that may be specified by resolution of the Board of Directors and shall be classified with respect to the time for which the Directors shall severally hold office by dividing the Directors into three classes, each of which shall contain the same number of Directors (if necessary, one class may contain one more or one less Director than the other two classes). Directors shall be elected by the members.
3. The first election of Directors by the members shall be held within 120 days of the date upon which the Mayor registers the Corporation as a BID corporation pursuant to the BID Act, and the Directors elected at such election shall take office as soon as practicable thereafter, or at such other time as may be specified by resolution of the Board of Directors. Subsequent elections shall be held annually. Elections of Directors shall be held in the following manner:
  - (a) The nominating committee shall present a slate of candidates to the membership for each annual election. Members may nominate additional candidates at the meeting called for the purpose of electing directors. Members and persons other than members are eligible to become Directors.
  - (b) Prior to the first election of Directors, the nominating committee shall nominate three slates of candidates: one slate to serve as the first class of Directors for the term of three years; one slate to serve as the second class of Directors for the term of two years and

one slate to serve as the third class of Directors or the term of one year. At the first election of Directors, the members shall hold a separate election to elect each class of Directors.

(c) At each annual election of Directors thereafter, the successors to the class of Directors whose term shall expire that year shall be elected for the term of three years, so that the term of office of one class of Directors shall expire in each year.

(d) For each election of Directors, each member may cast no more than their total number of votes for any one candidate. Directors shall not be elected through cumulative voting.

(e) Each Director elected by the members shall serve until his or her successor is elected, or until his or her earlier death, resignation or removal in accordance with these Bylaws.

4. In the event of any vacancy on the Board of Directors arising from the death, resignation, or removal in accordance with these Bylaws, such vacancy may be filled by the affirmative vote of a majority of the remaining Directors in office (even though less than a quorum of the Board of Directors). Any Director chosen to fill such vacancy shall serve until the next election by the members. If, at any meeting of members, Directors or more than one class are to be elected because of a vacancy or vacancies, each class of Directors to be elected at the meeting shall be elected in a separate election. An increase in the number of Directors may be affected by the affirmative vote of a majority of Directors in office, which seats shall be filled in accordance with these Bylaws by vote of the members at the next duly called special or regular meeting of the members.

5. A Director may resign at any time by giving notice thereof in writing to the Chairman of the Board.

6. A Director may be removed by a two-thirds vote of the other Directors in office, only for cause. The loss of employment or affiliation with a member institution or member organization or missing three or more Board meetings in a 12 month period or the failure to meet the qualifications for Directors as set forth in the BID Act may constitute cause.

7. A Director who loses his or her employment or affiliation with a member institution or member organization or otherwise fails to meet the qualifications for Directors set forth in the BID Act shall promptly notify the Board of Directors in writing.

8. The Board of Directors, at its first regular meeting, and annually thereafter, shall elect, by majority vote, officers of the Board from among its members. The Officers of the Board shall consist of a Chairman of the Board, a Vice-Chairman of the Board, a Treasurer of the Board, and a Secretary of the Board, each to serve for a term of one year. The Chairman of the Board shall preside at all meetings of the Board of Directors at which he or she is present, and shall perform such other duties as may be required of him or her by the Board of Directors. The Vice-Chairman of the Board, in the absence of the Chairman of the Board, or the Treasurer, in the absence of the Vice-Chairman, shall preside at meetings and each shall perform such other duties as may be required by the Board of Directors.

Section C. Meetings of the Board of Directors.

1. Regular meetings of the Board of Directors shall be held quarterly. Special meetings shall be called at the discretion of the Chairman of the Board or at the request of one-third of the Directors in office. The second quarterly meeting of the Board of Directors in each fiscal year shall constitute its annual meeting.
2. The time and place of all meetings of the Board of Directors shall be designated by the Chairman of the Board. The meetings may be held within or without the District of Columbia.
3. At least ten days' notice shall be given to each Director of a regular meeting of the Board of Directors. A special meeting of the Board of Directors may be held upon notice of five days. Notice of a meeting of the Board of Directors shall specify the date, time, and place of the meeting, but, except as otherwise provided in the BID Act, need not specify the purpose for the meeting or the business to be conducted. Notice must be either delivered personally to each Director or mailed (including facsimile or email) to his or her business address. If such notice is given by mail, it shall be deemed delivered when deposited in the United States mail properly addressed and with and with postage prepaid thereon. Notwithstanding the foregoing, a Director may waive notice of any regular or special meeting of the Board of Directors by written statement filed with the Board of Directors, or by oral statement at any such meeting. Attendance at a meeting of the Board of Directors shall also constitute a waiver of notice, except where a Director states that he or she is attending for the purpose of objecting to the conduct of business on the ground that the meeting was not lawfully called or convened.
4. Directors shall be provided with reasonable notice of regular and special meetings of the Board of Directors. In the case of a regular meeting of the Board of Directors, publication of an annual schedule of regular meetings of the Board of Directors in a newsletter or on a website at the beginning of each one year period shall constitute reasonable notice to members for that year. In the case of a special meeting of the Board of Directors, the posting on the Corporation's website or at the Corporation's office of a copy of the notice sent to Directors of such special meeting of the Board of Directors shall constitute reasonable notice to Directors.
5. Any meeting of the Board of Directors may be adjourned to another time without further notice other than by announcement at the meeting at which such adjournment occurs.
6. One-third of the number of Directors as fixed pursuant to these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except that, if a quorum is not present at a meeting, a majority of the Directors present may adjourn the meeting to another time, without further notice. Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, all matters before the Board of Directors shall be decided by a majority vote of the Directors present at a meeting at which a quorum is present. Notwithstanding the foregoing, the Board of Directors may decide to amend the Bylaws, BID plan, as defined in the BID Act, and BID tax, as defined in the BID Act, only by a two-thirds vote of the Directors in office, at a meeting called for such purpose, subject to ratification of any such amendment by a majority vote of the members present and voting at a regularly scheduled meeting at which a quorum is present.

7. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the text of the resolution or matter agreed upon is sent to all the Directors in office and if a written consent to such action is signed by all members of the Board, setting forth the action taken bearing the date of signature and describing the action taken, and such written consent is delivered to the Corporation. Such consent in writing shall have the same force and effect as a vote of the Board of Directors at a meeting and may be described as such in any document executed by the Corporation.

8. Any or all Directors may participate in a meeting of the Board of Directors, or a committee of the Board of Directors, by means of conference telephone or by any means of communication by which all persons participating in the meeting are able to hear one another, and such participation shall constitute presence in person at the meeting.

9. All meetings of the Board of Directors shall be open to all members of the Corporation. Minutes of Board of Directors' meetings shall be made reasonably available to all members, the Mayor, and the Council of the District of Columbia.

10. A Director may participate in meetings by voting by proxy except where prohibited elsewhere in these Bylaws or prohibited by the BID Act.

11. A Director may send a delegate with written and signed authority to vote on matters, at any meetings of the Board of Directors, in place of a Director.

Section D. Directors' Ethics and Conflict of Interest Standards.

Any Director, individual, or any firm of which any Director may be a member, or any corporation or association of which any Director may be an officer or director or in which any Director may be interested as the holder of any amount of its stock or otherwise, may be a party to, or be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, and in the absence of fraud no contract or other transaction shall be affected or invalidated because of such relationship or interest; provided, however, that in the event that a Director, or any firm of which a Director is a member, or any corporation or association of which a Director may be an officer or director, is so interested, such fact shall be disclosed or shall have been known to a majority of the Board of Directors of the Corporation. Any Director of the Corporation who is also director or officer of or interested in such other corporation, association or firm may not be counted in determining the existence of a quorum at the meeting of the Board of Directors of the Corporation which shall authorize, ratify, or confirm any such contract or transaction, and may not vote thereat to authorize, ratify, or confirm any such contract or transaction.

Section E. Compensation of Directors. No Director shall be paid for attendance at any regular or special meeting of the Board of Directors or be paid a salary as a Director, but may be reimbursed for actual and reasonable out-of-pocket expenses incurred in the performance of such Director's duties in connection with the BID.

## Article V.

### Committees

Section A. Executive Committee. By a majority vote of the Directors in office, the Board of Directors shall designate an Executive Committee consisting of at least five Directors, one of whom shall be the Chairman of the Board, who shall also preside over the Executive Committee. The other members of the Executive Committee shall be the Vice-Chairman of the Board, the Secretary, the Treasurer and the immediate former Chairman of the Board, if such person is still a Director. The Chairman of the Board may designate one or more additional Directors as members of the Executive Committee, subject to the approval of the Board of Directors by a vote of a majority of the Directors then in office. Except as otherwise required by law or these Bylaws, the Executive Committee shall have such authority as the Board of Directors shall grant to it for the management of the Corporation, including the power to authorize the seal of the Corporation to be affixed to all papers that may require it, except the power to (1) elect or remove Directors or committee members, (2) approve the dissolution, merger, or reorganization of the Corporation, or distribution of its assets; (3) amend the Articles of Incorporation or these Bylaws; or (4) take such other action as the Board may hereinafter determine by a majority vote of the Directors. The Executive Committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors when required. Vacancies of Chairman of the Board designees in the Executive Committee shall be filled by the Chairman of the Board, subject to the approval of the Board of Directors by a vote of a majority of the Directors then in office.

Section B. Nominating Committee. By a majority vote of the Directors in office, the Board of Directors shall designate a Nominating Committee consisting of at least five Directors, which shall nominate a slate of candidates for election by the voting membership at each annual election. Notwithstanding the above, the Executive Committee may serve as the Nominating Committee.

Section C. Other Committees. The Board of Directors may create other committees to exercise the powers of the Board, provided that such committees consist solely of Directors, which committees shall have such authority as the Board of Directors may direct, except the power to (1) elect or remove Directors or committee members, (2) approve the dissolution, merger, or reorganization of the Corporation or distribution of its assets; (3) amend the Articles of Incorporation or these Bylaws; or (4) take such other actions as the Board may hereinafter determine by a majority vote of the Directors. Each member of a committee shall serve until the next annual meeting of the Board of Directors and until such member's successor is appointed, unless: (A) the committee shall be sooner terminated, (B) such member is removed from such committee, with or without cause, by a vote of the Board of Directors, or (C) such member ceases to be a Director or otherwise resigns from such committee

Section E. Advisory Committees. The Board of Directors may appoint individuals who may or may not be directors of the Corporation to serve as an advisory committee to the Board. The advisory committees shall have such functions and responsibilities specified by the Board of Directors; provided, however, that the Board of Director may not delegate any if its

power, authority, or functions to any advisory committee. Each advisory committee may adopt rules of procedure for its business that are consistent with the Bylaws and with the rules adopted by the Board of Directors. A majority of the members of an advisory committee shall constitute a quorum for the transaction of business. Each member of an advisory committee shall serve until the next annual meeting of the Board of Directors and until such member's successor is appointed, unless: (1) the advisory committee shall be sooner terminated, (2) such member is removed, with or without cause, by a vote of the Board of Directors, or (3) such member otherwise resigns from such advisory committee

Section F. Any action required or permitted to be taken at a committee meeting may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each committee member and filed with the minutes of the committee. The members of a Board or advisory committee may conduct any meeting thereof by telephone conference or similar communications equipment in accordance with the provisions of Article IV (C)(8).

The Corporation shall not pay any compensation to any member of any Board or advisory committee for services rendered to the Corporation as such, except that a member may be reimbursed for expenses incurred in the performance of his or her duties to the Corporation, in reasonable amounts as approved by the Board of Directors. A member of a Board or an advisory committee who serves the Corporation in any other capacity may receive compensation for such other services pursuant to a resolution of the Board of Directors.

Section G. Attendance by the President. The President shall be entitled to participate in meetings of the Board of Directors, the Executive Committee, committees, advisory committees, and all other committees except portions of meetings in which the Board of Directors or such other committee discusses matters concerning the President. The President shall not be entitled to vote in his or her capacity as President.

## Article VI.

### Officers.

Section A. The Officers of the Corporation shall be a President, a Secretary, a Treasurer and such other Officers as may from time to time be deemed advisable by the Board of Directors. Officers shall be chosen by the Board of Directors. The Secretary and Treasurer must be chosen from among the pool of Directors.

Section B. All of the Officers of the Corporation shall hold their offices for one year terms, to which they may be re-elected annually, and shall exercise such powers, and perform such other duties as determined from time to time by the Board of Directors.

Section C. The Officers of the Corporation shall hold office until their successors are chosen and qualified. Any Officer of the Corporation may be removed by two-thirds of the Directors in office, only for cause. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section D. The President, Secretary, Treasurer and such other Officers as may be authorized by the Board of Directors may enter into and execute on behalf of the Corporation contracts, leases, debt obligations and all other forms of agreements or instruments, whether under seal or otherwise, permitted by law, the Articles of Incorporation and these Bylaws, except where such documents are required by law to be otherwise signed and executed, or where the signing and execution thereof shall be exclusively delegated to some other Officer or agent of the Corporation.

Section E. The duties and powers of the Officers of the Corporation shall be as provided in these Bylaws, or as provided pursuant to these Bylaws or (except to the extent they are inconsistent with these Bylaws or with any provision made pursuant hereto) shall be those customarily exercised by such offices.

Section F. The President. The President shall be the president and chief operating officer of the Corporation and, subject to the control of the Board of Directors, shall perform all duties customary to that office and shall supervise and control all of the affairs of the Corporation in accordance with any policies and directives approved by the Board of Directors.

Section G. The Secretary. The Secretary shall be responsible for keeping an accurate record of the proceedings of all meetings of the Board of Directors, for maintaining and authenticating permanent records of minutes of all meetings, all actions of the Board of Directors taken without a meeting, and all actions taken by a committee of the Board of Directors on behalf of the organization, as well as all records that must be maintained at the corporation's principal office, and for taking such other actions of the corporation as the Board of Directors shall direct. He or she shall give or cause to be given all notices in accordance with these Bylaws or as required by law, and, in general, perform all duties customary to the office of secretary. The Secretary shall have custody of the corporate seal of the Corporation, and he or she, shall have authority to affix the same to any instrument requiring it. When so affixed, it is to be attested by his or her signature. The Board of Directors may give authority to any Officer to affix the seal of the Corporation and to attest the affixing by his or her signature.

Section H. The Treasurer.

1. The Treasurer is responsible for the financial affairs of the Corporation. The Treasurer shall perform all duties customary to that office, shall have the custody of and be responsible for all corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in the books of the Corporation. He or she shall deposit or cause to be deposited all monies or other valuable effects in the name of the Corporation in such depositories as shall be selected by the Board of Directors.

2. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, or its delegate, taking proper vouchers for such disbursements, and shall render an account of all his or her transactions as Treasurer and of the financial condition of the Corporation to the President and the Board of Directors at its regular meetings or when the Board of Directors so requires.

Section I.      Compensation of Officers. No Officer shall be paid any salary or other remuneration for serving as such, but may be reimbursed for actual and reasonable out-of-pocket expenses incurred in the performance of such Officer's duties in connection with the BID.

## **Article VII.**

### **Members.**

Section A.      The Corporation is a membership corporation. Persons eligible for membership shall include property owners and commercial and residential tenants in the BID area, including each person who becomes a member of the Corporation pursuant to the BID Act.

Section B.      A member may exercise its right to vote by completing such ballot as the Board of Directors may provide and by delivering such ballot to the Secretary or such other Officer or agent as the Board of Directors may designate.

Section C.      Members shall have voting rights with respect to election of Directors and such other matters as may be provided in these Bylaws or as the Board of Directors may designate from time to time as follows:

1. The number of votes allocated to a Member of Record (as defined by the BID Act) shall be determined by its BID taxes, as set by the Mount Vernon Triangle Business Improvement District and billed by the D.C. Office of Tax and Revenue, or any successor agency.
2. An owner of non-exempt real property located within the BID area shall have one vote for each dollar of BID tax paid annually by that owner, based on the current fiscal year. For example, if a commercial property owner pays \$15,000.59 in BID tax annually for a building, the owner would be entitled to cast 15,000 votes. If a landowner pays \$3,500.78 in BID tax annually for a vacant lot, the owner would be entitled to cast 3,500 votes. If a residential condominium building collectively pays \$29,520.43 in BID taxes annually, then the designated representative of the condominium would be entitled to cast 29,520 votes. If a hotel pays \$20,520.22 in BID taxes annually, then the owner would be entitled to cast 20,520 votes.
3. Tenants who are legally responsible for paying a portion of the property owner's annual BID tax to their landlord shall be allocated one-half vote for every dollar amount of BID tax paid by the tenant. For example, if a commercial building owner pays \$3,000 in BID tax annually, and passes on \$500 to a tenant, the tenant would be entitled to cast 250 votes. The allocation of votes to a tenant does not reduce the number of votes allocated to the owner.
4. An owner of exempt real property located within the BID area, including the District of Columbia and the federal government, which becomes a member of the BID by voluntarily making payments to the BID pursuant to § 2-1215.21 of the BID Act, shall have votes determined by creating the number of votes

such member would be entitled to by the amount of contribution voluntarily paid to the BID in lieu of a BID tax, as if such member's property was non-exempt. The resulting figure is the number of votes such member shall have.

5. Owners and tenants of non-exempt property that is part of a condominium association or homeowner's association shall have their votes cast collectively by a single representative of the condominium association or homeowner's association.

Section D. In no case shall the total number of votes assigned to any one member or to any number of members under common control exceed 33-1/3 percent of the total number of votes which may be cast.

Section E. Prior to providing notice to members of any meeting of the membership, the Secretary shall prepare a current alphabetical list of all members who are entitled to notice of the meeting, showing the address of and number of votes of each member entitled to cast a vote. The corporation shall make the list available for inspection in accordance with the Nonprofit Act.

Section F. The Corporation shall hold an annual meeting of members, and may hold such other regular meetings of members as may be deemed desirable by the Board of Directors, each upon notice of at least 21 days, at such times and places as are designated by the Board of Directors. A special meeting of the members may also be called by the Board of Directors, or on request of members holding 25 percent of the votes entitled to be cast on an issue proposed to be considered at the proposed special meeting by signing, dating, and delivering to the Corporation one or more demands in the form of a record for the meeting describing the purpose for which it is to be held. The Secretary shall provide at least ten days notice of the special meeting, which notice shall include a description of the purpose for which the meeting is called. The President of the Corporation shall preside over any meeting of members as Chairman. The Secretary shall give notice of the date, time, and place of meetings by first class mail (or by hand delivery if the Secretary certifies in writing that such notice was delivered) or by facsimile or email to all members of record at the address of their properties or such other addresses they provide. A quorum at meetings of members shall be constituted by members having 10% of the number of votes entitled to be cast, represented in person. Any matter for decision by the members may be determined by majority vote of the members present in person at a meeting at which a quorum is present.

Section G. Members shall vote in person. An organization that is a member shall vote through its designated representative who shall appear in person to cast such member's votes.

Section H. No member may vote at any meeting of the members if at the time of such meeting said member shall be delinquent by more than sixty (60) days in payment of any financial obligation to the Corporation.

**Article VIII.**

**Indemnification.**

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

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

(1) Acted in good faith;

(2) Reasonably believed:

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

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

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

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

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

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

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

(1) In connection with a proceeding by or in the right of the Corporation, except that the Corporation may indemnify the Officer or Director for reasonable expenses (including reasonable attorneys fees) incurred in connection with the proceeding if it

is determined that the Officer or Director met the relevant standard of conduct under Section B; or

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

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

Section C. Determination of Indemnification. (1) The Corporation may not indemnify an Officer or Director under Section A unless the Board of Directors determines, in accordance with Section B, that indemnification of the Officer or Director is permissible because he or she has met the relevant standard of conduct in these Bylaws and the Nonprofit Act, and is not in breach of the BID instruments.

(2) The determination shall be made:

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

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

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

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

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

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

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

## **Article IX.**

### **Miscellaneous Provisions.**

Section A. Seal. The seal of the Corporation shall be circular in form and shall have inscribed thereon the words “Mount Vernon Triangle Business Improvement District,” “District of Columbia” and “Corporate Seal.”

Section B. Checks. All checks drafts or other orders for the payment of money shall be signed by such Officer or Officers or such other person or persons as the Board of Directors may from time to time designate.

Section C. Fiscal Year. The fiscal year of the Corporation shall coincide with the fiscal year of the government of the District of Columbia.

## **Article X.**

### **Amendments.**

Section A. Initial Amendment of Bylaws. Within 120 days of the Mayor’s registration of the Corporation as a BID corporation pursuant to the BID Act, or such earlier time

as may be provided by resolution of the Board of Directors, the members shall, at a meeting called by the Board of Directors for such purpose, vote to ratify or to adopt amendments, if any, to the initial Bylaws. Members shall have the opportunity to propose amendments to the initial Bylaws by submitting proposals to the Board of Directors in writing at least 15 days prior to the date on which the meeting of members will be held for the purpose of voting on such proposed amendments.

Section B.     Amendment of Bylaws. After the members have had the opportunity provided by Section A of this Article X to ratify or adopt amendments to the initial Bylaws, the Bylaws may be altered, amended or repealed, or new Bylaws may be adopted only by a two-thirds vote of the Directors in office at a meeting called for such purposes, subject to ratification of any such amendment by a majority vote of members at a regularly scheduled meeting.

Section C.     Amendment of Articles of Incorporation.

The Articles of Incorporation may be altered or amended, or new Articles of Incorporation adopted, in the manner provided by the Nonprofit Act, except to the extent these procedures are inconsistent with the BID Act.

## **Article XI.**

### **Dispute Resolution.**

Any disputes arising with respect to any charge under the BID Act or any activity conducted by the BID shall be resolved through mediation, or, if mediation is unsuccessful, arbitration. The Board of Directors shall adopt procedures through which the BID will participate such mediation or arbitration.

## **Article XII.**

### **BID Taxes.**

Section A.     The BID tax, as defined in the BID Act, shall be as is set forth in Section 2-1215.02 the BID Act.

Section B.     The amount and method of allocation of the BID tax may be amended once annually by a two-thirds vote of the Directors in office, at a meeting called for such purpose, subject to ratification of any such amendment by a majority vote of members present and voting at a regularly scheduled meeting at which a quorum is present.