

BYLAWS OF ASHEVILLE DOWNTOWN IMPROVEMENT DISTRICT, INC.

ARTICLE I REGISTERED OFFICE AND AGENT

1. Principal Office. The principal office of the Corporation shall be at 29 Haywood Street, Asheville, North Carolina 28801 or located at such other place as the Board of Directors may fix from time to time.
2. Registered Office. The registered office of the Corporation may be, but need not be, the same as its principal office address, but may be relocated from time to time as the Board of Directors of the Corporation may determine; provided, however, that the location and maintenance of the registered office shall be in accordance with the law of the State of North Carolina.
3. Other Offices. The Corporation may have offices at such other places within the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the Corporation may require.

ARTICLE II PURPOSES

1. The Corporation is a nonprofit corporation, organized as a business league pursuant to Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, for the following purposes:
 - (a) To improve the overall environment within the Asheville downtown improvement district (“Downtown”);
 - (b) To help maintain the distinctive character and unique attributes of Downtown;
 - (c) To assist Downtown in being clean, safe, and green;
 - (d) To reinforce and extend the character of the traditional core to enhance economic value across Downtown;
 - (e) To empower Downtown property and business owners, residents, employers, and other key stakeholders to collaborate in making decisions and investments that support mutual Downtown interests;
 - (f) To undertake activities that will promote a positive community image and perception of Downtown;
 - (g) To undertake activities that will maintain and improve the property values of Downtown;

- (h) To improve and maintain continuous and positive dialogue with government leaders and users of Downtown in order to facilitate quality development and use of Downtown beneficial to the citizens of Asheville and Buncombe County and visitors to Downtown; and
- (i) To generally assist the City of Asheville, Buncombe County and other organizations with purposes similar to or compatible with those of this Corporation.

ARTICLE III MEMBERSHIP

Persons eligible to become members of the Corporation consist of all Persons who make a financial contribution to the Corporation through the payment of taxes attributable to the Downtown Improvement District (the “DID”) and any other person who makes a financial contribution to the Corporation. For purposes of these Bylaws, “Persons” shall mean individuals and Entities and “Entities” shall mean any corporation, general partnership, limited partnership, limited liability company, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization. Eligible Persons shall become members of the Corporation and shall continue as members of the Corporation upon making the financial contribution described in this Article III to the Corporation and continuing to make such financial contributions at least annually. Individual members and Qualified Representatives of member Entities are eligible to serve on the Corporation’s Board of Directors and committees thereof in accordance with the terms and provisions of these Bylaws. “Qualified Representatives” shall mean representatives of member Entities who are senior level management with authority to make decisions for such Entity. Service on a committee of the Board of Directors shall be restricted solely to individual members or Qualified Representatives of Entity Members of the Corporation. In addition, all members shall be entitled to receive at their address any and all publications, materials, reports and other information prepared by or under the direction of the Corporation that the Corporation generally makes available to the public relating to the activities and business of the Corporation.

ARTICLE IV BOARD OF DIRECTORS

1. Number and Qualifications. The number of directors of the Corporation shall not be less than thirteen sixteen (163) nor more than fifteen eighteen (185). The exact number of directors shall be fixed by resolution of the Board of Directors, but shall be an odd number in total. With the exception of those individuals described in Section 3 of this Article IV directors shall be individual members of the Corporation or Qualified Representatives of Entities who are members of the Corporation. Directors shall be elected from the categories set forth in this Article IV, Section 2, and a director may serve several categories in representation if so qualified. Excluding the Ex Officio directors, A greater than minimum of seventy sixty Percent (670%) of the Board shall be those who make a financial contribution to the Corporation through the payment of real estate taxes attributable to the Downtown Improvement District (the “DID”) and

the remaining directors shall live or work in the district and be a person who makes a financial contribution to the Corporation, such financial contribution to be defined from time to time (i) by resolution of the Board of Directors if the director is elected by the Board or (ii) by resolution of Asheville City Council if the director is appointed by Asheville City Council .

2. Categories of Directors. The directors shall be elected in the number and from the categories set forth below:

- (a) A minimum of three (3) directors shall be members who are Major Real Estate Property Owners within the boundary lines of the DID (the “DID Area”).
- (b) A minimum of three (3) directors shall be members who are Small/Medium Real Estate Property Owners within the DID Area.
- (c) A minimum of two three (32) directors shall be members who are residents living within the DID Area.
- (d) A minimum of one two (21) directors shall be members who are office tenants operating within the DID Area.
- (e) A minimum of two (2) directors shall be members who own or operate a retail business or restaurant within the DID Area.
- (f) A minimum of one two (1) directors shall be an individual members or Qualified Representatives of a nonprofit 501(c)(3), member Entities as provided in this Article IV, Section 1 who are a homeless services providers.

A director may qualify for more than one of the representative categories defined above. The definition of “Major”, “Medium” and “Small” shall be determined from time to time by resolution of the Board of Directors but shall in all events be based on the assessed tax value of the property or properties within the DID Area owned by each such property owner. The real estate owned by a property owner shall be all of the real estate within the DID Area owned in fee simple or leased for a period in excess of ten (10) years by a Person and all affiliates of each such Person who are also members of the Corporation. Affiliates shall mean with respect to any member, any Person who is also a member which is (a) directly or indirectly controlled, individually or collectively, by such member, or (b) directly or indirectly controls such member, or (c) is under common control, directly or indirectly with such member. As used in this definition, “controlled by” shall mean having the power or authority, directly or indirectly, whether by ownership of stock, interests, or otherwise, of directing or causing the direction of the business or affairs of any Entity who is a member of the Corporation.

3. The following representatives shall serve as Ex Officio participating voting members of the Board.

- (a) A member of the Asheville City Council or its designee.
- (b) A member of the Buncombe County Commission or its designee.

- (c) A member of the Asheville Downtown Association, as appointed by the Asheville Downtown Association.

4. Nomination of Directors. The nomination of directors in each category in Section 2 of this Article IV shall be the duty of the Nominating Committee. The Nominating Committee shall recommend the names of those so nominated as members of the Board of Directors to the Board of Directors for approval. Additional nominations for directors may be made by any member of the Board of Directors.

5. Powers. Subject to the limitations imposed by law or contained in the Articles of Incorporation or these Bylaws, the activities and affairs of the Corporation shall be conducted, and all corporate powers shall be exercised by or under the ultimate direction of, the Board of Directors.

6. Election, Term of Office and Vacancies. The initial Board of Directors shall be approved by the Asheville City Council. Thereafter, members of the Board of Directors shall be elected by a vote of the Board of Directors either at the April or May Board meeting for a term beginning July 1 (except for the initial term which begins on the date these Bylaws are adopted by the Corporation (the "Effective Date")); provided, however, when filling a vacancy in the Board, such vacancy may be filled by resolution adopted by the Board of Directors at any regular or special meeting of the Board of Directors. The Board of Directors shall be divided into three classes of as nearly equal size as practicable. The term of office of the members of the Board of Directors of each class shall be three (3) years except for:

- (a) The term of office commencing on the date these Bylaws are adopted, and
 - (1) Approximately one-third (1/3) of the directors shall serve a term commencing on the Effective Date and continuing until June 30, 2014,
 - (2) Approximately one-third (1/3) of the directors shall serve a term commencing on the Effective Date and continuing until June 30, 2015, and
 - (3) Approximately one-third (1/3) of the directors shall serve a term commencing on the Effective Date and continuing until June 30, 2016;
- (b) Members defined in Section 3 of this Article IV, whose terms will be determined by resolution of the Board of Directors; and
- (c) Directors appointed to fill vacancies. Each director, including a director appointed to fill a vacancy, shall hold office until the expiration of the term for which the director was appointed and until a successor has been appointed or until such director is removed from office or resigns, whichever first occurs. Additional directors and vacancies on the Board of Directors, whether caused by an increase in the number of directors,

expiration of a term, removal or resignation, shall be filled by resolution adopted by the Board of Directors. No reduction in the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office. The inability of the Board of Directors to elect the minimum number or categories of directors shall not impair the authority of the Board of Directors to exercise the corporate powers of the Corporation. The Board of Directors shall continue to attempt to fill any vacancies on the Board.

- (d) With the exception of the directors designated in Section 3 of this Article IV, directors may not serve more than two (2) consecutive terms, but having skipped one year may again serve as director.

Notwithstanding the foregoing, the Asheville City Council shall have the right to Change suggested in advance of Council Meeting yet to be approved by BID Board.

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- (e) appoint one director from Section 2(a), one director from Section 2(b), one director from Section 2(c), one director from Section 2(d), and one two directors from Section 2(f) of this Article IV, to fill a vacancy in the Board of Directors in each such category. At any point in time there shall be no more than one director in each such category who has been appointed by the Asheville City Council, with the exception of the category defined by Section 2(f). , and at no point in time shall the Asheville City Council appoint more than one-thirdfifty Percent (50%) of the Board of Directors.

7. Vacancies. Any director who resigns or is removed from the Board shall be removed from the Executive Committee, from the Nominating Committee, from any other committee of which he or she serves and shall be removed as an officer. The newly elected director shall have no right to assume the previous director's role in such capacities, but shall be eligible for election or appointment on the same basis as other directors and officers.
8. Attendance Requirements. Board members are expected to attend meetings and may not delegate their responsibilities to any other person. Any director absent from three (3) consecutive meetings of the Board or absent from fifty percent (50%) or more of the meetings of the Board in any twelve (12) month period may be removed from office by the Chair upon an affirmative vote of the Board directing the Chair to do so.
9. Removal. In addition to removal by the Chair upon direction by the Board as described in Section 7 above, any director may be removed if such removal is approved by resolution adopted by the Board of Directors.
10. Resignation. Any director may resign by giving notice to the Chair or the Secretary of the Corporation. The resignation of a director shall be effective when such notice is given unless the notice specifies a later time. The resignation shall be effective regardless of whether it is accepted by the Corporation.
11. Compensation. Directors shall not receive any compensation for their services as such, but by resolution of the Board of Directors provision may be made for the payment of their expenses related to programmatic expenses that may be incurred.
12. Initial Board of Directors. Notwithstanding any contrary provision in these Bylaws, the initial Board of Directors of the Corporation shall be composed of the following persons: Michel Baudouin, David Brown, Dwight Butner, Franzi Charen, Jan Davis, Byron Greiner, Susan Griffin, Rick Jackson, Kim MacQueen, John McKibbon, John Monroe, Mary Robinson, Jim Samsel, Ruth Summers, Karen Tessier, Stephanie

Twitty, and Michael Woods, together with a member of the Buncombe County Commission or its designee.

ARTICLE V
MEETINGS OF BOARD OF DIRECTORS

1. Time and Place of Meetings and Telephone Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board may determine but no less frequently than quarterly. All meetings of directors shall be held at the principal office of the Corporation, or at such other place, within or without Asheville, North Carolina, as shall be designated in the notice of the meeting or in a resolution of the Board of Directors. Directors may participate in a meeting through use of conference telephone or similar communications equipment, provided that all members so participating can hear each other.
 - (a) Right to Call a Meeting. Special meetings of the Board of Directors may be called by the Chair of the Board of Directors or any five (5) directors.
 - (b) Notice. Notice of regular and special meetings shall be given at least five (5) days prior to the meeting date and must be given by first class mail, by telephone or by e-mail or delivered personally. Unless required by the North Carolina Nonprofit Corporation Act, notice of a regular or special meeting need not specify the purpose of any regular or special meeting.
 - (c) Waiver of Notice. A Director may waive any notice required by the North Carolina Nonprofit Corporation Act or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director, at the beginning of the meeting (or promptly upon his or her arrival), objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.
 - (d) Quorum and Required Vote. A majority of the directors shall constitute a quorum for the transaction of business, including but not limited to all actions, approvals and resolutions required by these Bylaws. Except as otherwise provided by the North Carolina Nonprofit Corporation Act, 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, including but not limited to all actions, approvals and resolutions required by these

Bylaws except as otherwise required in Article XIV. A majority of the directors present at a meeting, whether or not a quorum is present, may adjourn the meeting to another time and place.

- (e) Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the members of the Board of Directors consent to such action. The action must be evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Written consent may be given by e-mail or other electronic means of providing an electronic signature. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

ARTICLE VI COMMITTEES OF THE BOARD OF DIRECTORS

1. Committees of the Board: The committees of the Board of Directors shall be as set forth in these Bylaws. In addition, the Board of Directors may, by resolution adopted by the Board of Directors, create additional committees to carry out the work program of the Corporation. To the extent permitted in the resolution of the Board of Directors in these Bylaws, any such committee may exercise any or all of the authority of the Board except:
 - (a) the approval of the dissolution, merger or the sale, pledge or transfer of all or substantially all of the assets of the Corporation;
 - (b) the election, appointment or removal of directors (except as provided in Article IV, Section 7) or the filling of vacancies on the Board of Directors or any committee of the Board; and
 - (c) the adoption, amendment or repeal of Bylaws or Articles of Incorporation.

Delegation of Authority. Pursuant to specific resolution, the Board may delegate to a committee any power or powers other than those set forth in subparagraphs (a) through (c) of Section 1 of this Article VI above.

As a further limitation on the delegation of its powers, the Board may not delegate its power to recommend or establish a tax rate within the District, approve or enter into contracts for the provision of services within the District, or to determine which services to provide within the District. Change suggested in advance of Council Meeting yet to be approved by BID Board.

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2. The Board of Directors shall not delegate any major decision making authority to any committee. Persons other than directors may be appointed to any such committees except the Executive Committee, the Nominating Committee, the Finance Committee or other committees with delegated executive powers (e.g., a personnel committee); provided, however, a member of a committee must be an individual member of the Corporation or a Qualified Representative of an Entity which is a member of the Corporation.

Executive Committee. The Corporation shall have an Executive Committee whose members shall be comprised of the officers of the Corporation, the Chair of the Board, the immediate past Chair of the Board of Directors, the respective chairpersons of all of the Corporation's other committees, if any, and any other directors appointed by resolution of the Board of Directors. The Chair of the Executive Committee shall be the Chair of the Board of Directors. There shall be no less than five (5) and no more than nine (9) members of the Executive Committee. The Executive Committee shall make recommendations to the Board of Directors. In addition, the Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session only for matters delegated to the Executive Committee by the Board. . As a further limitation on the delegation of its powers, the Board may not delegate its power to recommend or establish a tax rate within the District, approve or enter into contracts for the provision of services within the District, or to determine which services to provide within the District. Change suggested in advance of Council Meeting yet to be approved by BID Board.

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3. The Board of Directors shall not delegate any major decision making authority to the Executive Committee. The Executive Committee shall be accountable to the Board for its actions. The Executive Committee may request that the Executive Director be excused from the Executive Committee meeting from time to time in order to discuss and determine the Executive Director's salary and performance review. The Executive Director shall be a non-voting member of the Executive Committee.
4. Nominating Committee. The Corporation shall have a Nominating Committee whose members shall consist of the current Vice Chair of the Board of Directors, the immediate past Chair of the Board of Directors and no less than three (3) other members of the Board of Directors appointed by resolution adopted by the Board of Directors. The Chair of the Nominating Committee shall be the Vice Chair of the Board of Directors. The Nominating Committee shall nominate members of the Board of Directors and Officers of the Corporation and present the nominees to the Board of Directors.
5. Finance Committee. The Corporation shall have a Finance Committee whose members shall consist of the current Chair of the Board of Directors, the immediate past Chair of the Board of Directors, the Treasurer and no less than one (1) other members of the Board of Directors appointed by a resolution adopted by the Board of Directors. The Treasurer shall be the Chair of the Finance Committee. The Finance Committee shall review and oversee the budget for the Corporation prepared by the Executive Director and shall from time to time advise the Board of Directors with respect to the financial condition and financial policies of the Corporation. The Finance Committee shall have the right to consult with a certified public accountant.
6. Appointment to Other Committees; Chairperson. As to all committees other than the Executive Committee, the Nominating Committee and the Finance Committee, the appointment of the chairperson and all members of a Committee shall be by resolution adopted by the Board of Directors.

7. Committee Meetings. The principles set forth in Sections 1 through 7 of Article VI of these Bylaws shall apply to committees of the Board of Directors and to actions taken by such committees.

ARTICLE VII ADVISORY COUNCILS

1. Advisory Councils. The advisory councils to the Board of Directors shall be the General Advisory Council and the Clean and Green Advisory Council as set forth in this Article VII. In addition, the Board of Directors, may, by resolution adopted by the directors, create additional advisory councils to advise the Board of Directors. The purpose of the advisory councils is to provide information and render advice to the Board of Directors on certain matters which are within the scope of such advisory council's purpose and which the chair of such advisory council brings before the Board of Directors. It shall be in the sole discretion of the Board of Directors to vote or act upon such advice. Each chair of an advisory council shall be a director of the Corporation. Members of each advisory council may vote to direct the chair of such advisory council to communicate specific matters to the Board of Directors. Each advisory council shall have a chair. The chair of each advisory council shall be appointed by resolution adopted by the Board of Directors. The chair of each advisory council may not serve more than two (2) year consecutive terms, but having skipped one year may serve again as a chair.
2. Clean and Green Advisory Council. The purpose of the Clean and Green Advisory Council is to report to the Board of Directors and the staff of the Corporation and provide information and render advice with respect to the operation of the Person who contracts with the Corporation to perform DID services. There shall be no less than five (5) and no more than nine (9) members of the Clean and Green Advisory Council and to the extent possible there shall be at least two members (or representatives of each such member) appointed from each zone within the DID Area as it may exist from time to time. The members of the Clean and Green Advisory Council shall serve a two (2) year term. Members of the Clean and Green Advisory Council may not serve more than two (2) consecutive terms, but having skipped one (1) year may again serve as a member. The members of the Clean and Green Advisory Council for the first term shall be appointed by resolution adopted by the Board of Directors. Thereafter, the members of the Clean and Green Advisory Council shall nominate the members for the next following term to the Board of Directors. Such nominees shall be subject to the approval by the Board of Directors by resolution adopted by the Board of Directors. Notwithstanding anything in this Section 2 to the contrary, the chair of the Clean and Green Advisory Council shall at all times be appointed by resolution of the Board of Directors.
3. General Advisory Council. The purpose of the General Advisory Council is to provide information and render advice to the Board of Directors with respect to the program of work and future plans of the Corporation. There shall be no less than the Enumerated Entities (as defined herein) and no more than thirteen (13) members of the

General Advisory Committee. The members of the General Advisory Committee shall be a Qualified Representative for each of the following Enumerated Entities or their successors in interest and such other members as appointed by resolution adopted by the Board of Directors. The Enumerated Entities are the City of Asheville Office of Economic Development, the Asheville Downtown Association, the Asheville Downtown Commission, Buncombe County, the Asheville Area Chamber of Commerce, the Asheville Area Arts Council, the Asheville City Police Department, and, to the extent possible, a member of the faith community and a homeless services provider located in the DID District. With the exception of the Enumerated Entities, the members of the General Advisory Council shall serve a two year term; provided the first term shall commence upon appointment and continue until June 30, 2015. The members of the General Advisory Council for the first term shall be appointed by resolution adopted by the Board of Directors. Thereafter, the members of the General Advisory Council shall nominate the members for the next following term to the Board of Directors. Such nominees shall be subject to the approval by the Board of Directors by resolution adopted by the Board of Directors. Notwithstanding anything in this Section 3 to the contrary, the chair of the General Advisory Council shall at all times be appointed by resolution of the Board of Directors.

4. Meetings of Advisory Councils. The principals set forth in Article V of these Bylaws shall apply to advisory councils and to actions taken by such advisory councils. Each advisory council shall meet at least semi-annually.

ARTICLE VIII OFFICERS

1. Titles. The officers of the Corporation shall include a Chair, Vice-Chair, a Secretary, a Treasurer and the Executive Director, and any other officers the Board may elect. All officers, with the exception of the Executive Director, must be directors of the Corporation. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair, nor may the Executive Director serve concurrently as the Secretary. All officers shall perform their duties and exercise their powers subject to the direction of the Board of Directors.
2. Appointment, Term of Office and Vacancies. The officers of the Corporation shall be nominated by the Nominating Committee and elected by resolution of the Board of Directors for one year terms at the April or May Board meeting for a term beginning July 1; provided the term of the initial officers shall commence on the Effective Date and continue until June 30, 2013. The Board may thereafter elect officers for newly created offices or fill vacant offices at any time. The officers shall hold office until their successors are elected and qualified, their resignation, death, removal or disqualification.
3. Removal. The Board of Directors may remove any officer at any time with or without cause subject to such officer's rights, if any, pursuant to a contract of employment.

4. Resignation. Any officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. The resignation of an officer shall be effective when notice is given unless the notice specifies a later time. The resignation shall be effective regardless of whether it is accepted by the Corporation.
5. Chair of the Board. The Chair of the Board shall, when present, preside at all meetings of the Board of Directors and the Executive Committee and, in general, shall perform all duties as may be prescribed by the Board of Directors from time to time.
6. Vice-Chair of the Board. In the absence of a Chair, the Vice-Chair of the Board of Directors shall exercise all powers and duties of the Chair of the Board and shall preside at all meetings of the Nominating Committee.
7. Executive Director. The Executive Director shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He or she may sign, with or without the Secretary, any contracts and instruments to carry out the ordinary course of business of the Corporation or to facilitate actions approved by the Board of Directors. In addition, he or she may sign, with the Secretary or any other proper officer or agent of the Corporation approved by the Board of Directors any promissory notes, deeds, mortgages, bonds, other contracts or other instruments that the Board of Directors has authorized to be executed, except in cases in which the execution thereof shall have been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation and except in cases in which the law requires such instruments to be otherwise signed or executed. The Executive Director shall in general perform all duties incident to the office of the chief executive officer of the Corporation (including but not limited to conducting official correspondence, preserving all books, documents and communications, maintaining accurate financial records, preparing an annual budget, and maintaining accurate records of the proceedings of the Corporation, the Board and all Committees) and such other duties as may be prescribed by the Board of Directors from time to time. The Executive Director shall have the right to establish task forces comprised of staff members from time to time to review and implement certain limited matters identified by the Executive Director, such as the Corporation's annual meeting. The hiring, supervision and termination of the Corporation's staff shall be the Executive Director's responsibility. At the conclusion of his/her employment with the Corporation, he or she shall ensure that all books, papers, and property of the Corporation are in the possession of the Corporation.
8. Secretary. Unless otherwise determined by the Board of Directors, the Secretary shall have the following powers and duties:
 - (a) Record of Corporate Proceedings: The Secretary shall keep a record of all votes and the minutes of meetings of the Board of Directors and committees in a book to be kept at all times at the principal office of the Corporation or at such other place as the Board may determine. The Secretary shall at all times keep, at the Corporation's principal office in

Asheville, North Carolina, a copy of the Corporation's then current Articles of Incorporation and Bylaws.

- (b) Notices: The Executive Director or Secretary shall give such notices as may be required by law or these Bylaws.
- (c) Other records. The Secretary shall also have general charge of the corporate records and of the corporate seal, and he or she shall affix the corporate seal to any lawfully executed instruments requiring it. The Secretary shall sign such instruments as may require his or her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as many assigned from time to time by the Board of Directors.

9. Treasurer. Unless otherwise determined by the Board of Directors, the Treasurer shall have access to corporate funds and securities and, through monthly account reconciliation, ensure that each deposit is in the name and to the credit of the Corporation's accounts as may be designated by the Board of Directors. The Treasurer shall also confirm the adequateness and correctness of the books and accounts of the Corporation's properties and business transactions by performing monthly reconciliation and review of all activity within the Corporation's bank accounts, and shall render to the Board of Directors, at its regular meetings, or whenever the Board of Directors may require, an account of all transactions and the financial condition of the Corporation. The Treasurer shall, in general, perform all duties incident to the office of Treasurer and such other duties as many assigned from time to time by the Board of Directors.

10. Other Officers. The other officers of the Corporation, if any, shall exercise such powers and perform such duties as the Board of Directors shall prescribe.

11. Salaries. The Board shall fix the salary of the Executive Director of the Corporation within the guidelines of the Corporation's approved annual budget. The Executive Director shall recommend to the Board the salaries of the other employees of the Corporation. Such recommendations are subject to approval by a resolution of the Board.

ARTICLE IX FINANCIAL MANAGEMENT

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers designated in Article VIII 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.

2. Checks. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by the Executive Director for expenditures in the normal course of business up to \$5,000.00.

All other checks, drafts or orders for the payment of money, notes, or other evidences of indebtedness for expenditures over \$5,000.00 shall be signed by the Executive Director and countersigned by the Treasurer, the Chair, the Vice-Chair, the immediate past Chair of the Board or any other person on the Executive Committee authorized by the Executive Committee. Notwithstanding the foregoing, the Executive Director may sign payroll checks exceeding \$5,000, provided all checks, drafts or orders for the payment of money to the Executive Director (including payroll) shall be signed by any two of the Executive Director, Treasurer, the Chair, the Vice-Chair and the immediate past Chair of the Board or such other person on the Executive Committee authorized by the Executive Committee.

3. Expenditures. Expenditures in excess of the aggregate total of the Corporation's approved annual budget must be approved in advance by the Board.
4. Inspection of Records and Properties. Each director may inspect all books, records, documents and physical properties of the Corporation at any reasonable time. The right of inspection includes the right to copy and make extracts.
5. Bonding. The Board may direct that a fidelity bond be obtained for the Executive Director and such other officers or employees of the Corporation as may be designated by the Board of Directors. Any such bond shall be in the amount required by the Board and payable to the Corporation. The premium for all bonds shall be paid by the Corporation.

ARTICLE X REPORTS

1. Reports to Directors. The Executive Director shall ensure that the following reports shall be completed and presented at least annually to the Board of Directors:
 - (a) Annual Audit: The Corporation's financial statements shall be audited annually by independent accountants selected by the Board of Directors or a committee designated by the Board, such audit occurring at or near the end of the term of the then existing Treasurer. The audit shall present and discuss shall matters as are generally provided in an audit of financial statements.
 - (b) State of the Corporation Report: The Executive Director shall at least annually furnish a report to the Board of Directors regarding the state of the Corporation. This report shall contain an assessment of the status of all existing programs, a description of any plans for future programs and any other information which the Executive Director or Board of Directors deems appropriate.
2. Annual Meeting. The Corporation shall hold an annual meeting in November, December, January, or February of each year or at such other time as the Executive

Committee may determine. Such meeting shall be held at any location within downtown Asheville as the Executive Committee shall designate.

ARTICLE XI INDEMNIFICATION

1. Definitions for Purposes of This Article.
 - (a) Covered Person: Covered Person means any individual who at any time serves or has served as a director or officer of the Corporation, or who, while serving as a director or officer of the Corporation, served at the Corporation's request, as a director, officer, partner, trustee, employee or agent of any other foreign or domestic business or Corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. "Director" or "officer" includes, unless the context requires otherwise, the estate or personal representative of a director or officer.
 - (b) Action: Action shall mean any threatened, pending, or completed action, suit or proceeding whether civil, criminal, administrative or investigative, and whether formal or informal, and any appeal therefrom.
 - (c) Covered Expenses. Covered Expenses means (a) reasonable expenses, including without limitation, all attorney's fees, (b) the obligation to pay any judgment, settlement, penalty, fine (including any excise tax assessed with respect to an employee benefit plan), and (c) all reasonable expenses incurred in enforcing the indemnification rights provided herein if it is determined that the individual enforcing such rights is entitled to such indemnification.
2. General. To the fullest extent permitted by law, the Corporation shall indemnify a Covered Person against Covered Expenses if he or she is made, or is threatened to be made, a party to an Action because of his or her status as a Covered Person except in relation to matters as to which such Covered Person shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of gross negligence or willful misconduct in the performance of his or her duty.
3. Advanced Payment of Covered Expenses. Covered Expenses may be paid by the Corporation in advance of a final disposition of the Action if authorized by the Board of Directors. Any advance payment shall be made only upon receipt of an undertaking by the Covered Person to repay such amount unless it shall ultimately be determined that the Covered Person is entitled to be indemnified by the Corporation against such Covered Expense.
4. Reliance. A Covered Person shall be deemed to be serving the Corporation in reliance upon, and as consideration for the rights provided for herein. Any repeal or

modification of these indemnification provisions shall not affect any rights or obligations existing at the time of such repeal or modification.

5. Non-exclusivity. The rights provided for herein shall not be exclusive of any other rights to which the Covered Person may be entitled, including, without limitation, statutory rights to indemnification and benefits under policies of insurance.

ARTICLE XII DISSOLUTION

In the event of the dissolution of the Corporation, no officer, director or member shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Corporation from any source, after the payment of all debts and obligations of the Corporation, shall be distributed to such organizations as shall qualify under Section 501(c)(6) of the Internal Revenue Code as the same now exists or as it may be amended from time to time and as may be permitted by law, which organization shall be selected by the Board of Directors.

ARTICLE XIII GENERAL PROVISIONS

1. Seal. The seal of the Corporation shall be as more particularly shown on the following impression:
2. Fiscal Year. The fiscal year shall be July 1 through June 30.

ARTICLE XIV AMENDMENT OF BYLAWS AND ARTICLES OF INCORPORATION

These Bylaws may be amended or repealed and new bylaws may be adopted by an affirmative vote of a majority of the directors then in office. The Articles of Incorporation may be amended by an affirmative vote of a majority of the directors then in office. Members of the Corporation (other than in their capacity as directors) are not entitled to vote on any amendments to Bylaws or Articles of Incorporation. Any amendments to the Articles of Incorporation and the Bylaws are subject to the approval of Asheville City Council.

Change suggested in advance of Council Meeting yet to be approved by BID Board.
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CERTIFICATION

I, _____, the duly elected, qualified and acting Secretary of Downtown Asheville, Inc., do hereby certify that the foregoing are the Bylaws of Downtown Asheville, Inc., adopted by its Board of Directors by action taken as of the _____ day of _____, 2013.

_____, Secretary