

**Amendment To The Bylaws Of The Private Industry Council Of San Francisco to
Allow the Board of Directors to Transfer the Remaining Assets of the PIC, Upon
Dissolution, to the City and County of San Francisco**

WHEREAS, On December 15, 2006 the Board of Directors of the Private Industry Council (the "PIC"), by resolution, announced its intention to cease operations as of June 30, 2007, and to thereafter dissolve the PIC, based in part, on the ongoing reductions in governmental funding for workforce development and the numerous compliance obligations that had become harder to fulfill in the face of dwindling resources, and

WHEREAS, The December 15, 2006 resolution of the PIC Board also noted that the City and County of San Francisco (the "City") administers several workforce development programs similar to the program administered by the PIC pursuant to the federal Workforce Investment Act of 1998 ("WIA"), 5 U.S.C. § 2801, et seq., and that the City's Mayor had recently hired a Director of Workforce Development charged with developing

WHEREAS, On June 1, 2007, the Board of Directors of the PIC voted to cease operations as of June 30, 2007, and thereafter to windup and dissolve the PIC, authorizing the officers and directors of the PIC to take all steps necessary to wind up and dissolve the PIC; and

WHEREAS, Pursuant to the Agreement dated June 28, 2007 (the "Novation Agreement") between the California Employment Development Department (the "EDD"), the PIC, and City, the parties agreed that: (1) the PIC would transfer to the City all WIA assets and all rights under the existing subgrant agreements for WIA funds between the EDD and the PIC; (2) the City would perform all of the duties and obligations of the existing WIA subgrant agreements between the PIC and the EDD; and (3) the EDD would release the PIC from all of its obligations under the existing subgrant agreements; and

WHEREAS, By Agreement dated June 28, 2007 between the City and the PIC (the "Assignment Agreement"), the City accepted the PIC's assignment of all rights and duties arising under contracts between the PIC and 15 local nonprofit organizations that provided WIA-related services to the PIC – services that were funded through the subgrants provided by the EDD; and

WHEREAS, Since June 30, 2007, the City, through its Director of Workforce Development, has administered the WIA program in addition to other workforce development programs of a similar nature that were already part of the City's workforce development program; and

WHEREAS, it is possible that unasserted claims based on the acts or omissions by the PIC under the subgrants may be asserted against the City, in future, pursuant to the Novation Agreement; and

WHEREAS, It is possible that unasserted claims based on the acts or omissions of the PIC under the contracts with the local nonprofits may be made, in future, against the City as PIC's assignee under the Assignment Agreement; and

WHEREAS, In light of the past reductions in governmental funding for workforce development, and the likelihood that such reductions will continue due to the budget deficits facing both the State of California and the City, additional funds would provide needed assistance to the City in its efforts to maintain and expand its workforce development programs; therefore be it

RESOLVED, That the bylaws of the PIC are hereby amended to add Section 2.1, to provide as follows:

2.1 Dissolution

Upon dissolution, the Board of Directors of PIC, Inc. may transfer the remaining assets of PIC, Inc., if any, to the City and County of San Francisco ("City") for the purpose of supporting the City's Workforce Investment Act program, including payment of any debts or obligations of the PIC arising under that program that it is legally required to pay, and for the purpose of supporting the City's other workforce development programs administered by its Director of Workforce Development.