

Legislation Text

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Initiating action to continue a neighborhood improvement district, beyond the date of termination of such district, in an area that generally includes both sides of Ridge Avenue from Main Street to 7220 Ridge Avenue and certain blocks of streets that intersect that portion of Ridge Avenue and which is known as the Roxborough District ("District"); continuing the designation of the Roxborough Development Corporation, a Pennsylvania nonprofit corporation, as the Neighborhood Improvement District Management Association for the District; approving a preliminary plan for and report concerning the District; and authorizing and directing the Committee on Rules and the Clerk of Council to take all actions that are required by the Community and Economic Improvement Act prior to enactment of an ordinance that would formally continue the District.

WHEREAS, Bill No. 030017 (approved June 11, 2003) established a neighborhood improvement district in the Roxborough area, known as the Roxborough District (District); designated the Roxborough Development Corporation (RDC), a Pennsylvania nonprofit corporation, as the Neighborhood Improvement District Management Association for the District; and approved a final plan for improvements within the District; and

WHEREAS, On June 30, 2008, the term of the District will automatically terminate; and

WHEREAS, Council is authorized by the Community and Economic Improvement Act ("Act") (53 P.S. §18101 *et seq.*) to continue a neighborhood improvement district beyond the date of termination by reenacting the municipal enabling ordinance creating the original neighborhood improvement district, following a review of the neighborhood improvement district and the neighborhood improvement district management association programs and services provided within the neighborhood improvement district; and

WHEREAS, Council wishes to initiate action to continue the District for a period of five years, until June 30, 2013; and

WHEREAS, The purpose of this resolution is to initiate action to continue the term of the Roxborough District, and to ensure that all actions required by the Act are taken prior to the reenactment of an ordinance formally continuing its term; now, therefore,

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, THAT Council hereby initiates action to continue the term of a neighborhood improvement district, beyond the date of termination of such district, in an area that generally includes both sides of Ridge Avenue from Main Street to 7220 Ridge Avenue and certain blocks of streets that intersect that portion of Ridge Avenue, and which is known as the Roxborough District. Council hereby approves as the preliminary plan for the Roxborough District the plan attached as Exhibit "A," and Council adopts as the City's report concerning the Roxborough District, the report included as part of that plan.

RESOLVED FURTHER, THAT The Committee on Rules is hereby authorized and directed to take all actions required by the Community and Economic Improvement Act ("Act") prior to enactment of an ordinance formally continuing the Roxborough District, including the holding of any and all public hearings required by the Act. The Clerk of Council shall arrange for all mailings and publication of all notices required by the Act,

as directed by the Chair of the Committee on Rules.

Exhibit A

PLAN FOR THE ROXBOROUGH NEIGHBORHOOD IMPROVEMENT DISTRICT ("DISTRICT") AND REPORT OF THE CITY OF PHILADELPHIA CONCERNING THE DISTRICT

1. The name of the neighborhood improvement district is the Roxborough District ("District"). A map of the District is attached as Exhibit A-1, and an enlarged copy of the map shall be kept on file with the Chief Clerk to be made available for inspection by the public during regular office hours.

2. The service area of the District includes all taxable (for real estate purposes) commercial properties on both sides of Ridge Avenue from Main Street to 7220 Ridge Avenue, plus those commercial properties on certain blocks of streets that intersect that portion of Ridge Avenue that are listed in Exhibit A-2. This area is referred to as the "Whole District." While the service area does contain single family owner-occupied residential properties, these properties will not be assessed. Furthermore, tax-exempt properties located within the District will be encouraged to contribute cash or in-kind services. As of July 1, 2007, there are about 280 properties in the Whole District.

The Whole District includes a sub-area called the "Central District" that includes all taxable (for real estate purposes) commercial properties on both sides of Ridge Avenue beginning at 5735 Ridge Avenue and extending through to 6247 Ridge Avenue. As of July 1, 2007, there are about 120 properties in the Central District.

The map of the District which is attached as Exhibit A-1 depicts the Whole District and the Central District."

3. A list of all properties to be assessed is attached as Exhibit A-2.

4. A list of proposed improvements and services within the District and their estimated cost for the first year of operation are as follows:

a. Marketing: Marketing services may include, but are not limited to: *business promotion strategies*, such as the development and distribution of promotional materials (e.g., a District map, direct mail and coupon books), creating a District slogan and printing and selling T-shirts, and placing advertisements for the District in neighborhood phone directories, on bus shelters, at public parking lots and similar locations; *business attraction strategies*, such as marketing available vacant space, e-business promotion through a web site, a "weed and seed" program and creating financial incentives; and *business retention strategies*, such as a collaborative print media marketing business promotion strategy, organizing special events designed to attract customers, marketing campaigns targeted at major employers along and near the District designed to attract their employees as customers for businesses within the District. (Budget allocation for Year 1: \$35,500)

b. Appearance: Appearance services will include the development of a professional streetscape plan that will detail pedestrian lighting, pedestrian crosswalks, benches, trash receptacles, bike racks, street trees, banners, directional and information signage, as well as, storefront facade design criteria, business lighting

examples, sample window displays and signage criteria. The District budget allocation will support the design and development of a streetscape plan. The District will pursue other available funding sources for the implementation of the streetscape plan. Appearance services may also include, but are not limited to: cleaning "hot spots;" weed control; organizing adopt-a-block programs and community clean-ups; purchase and maintenance of streetscape furniture and street banners; promoting uniform lighting treatments and providing professional design services for facade improvements and window displays; designing holiday lighting and decorations; sponsoring design contests for Ridge Avenue "gateways;" and, designing information kiosks for use along Ridge Avenue. (Budget allocation for Year 1: \$51,000)

c. Parking & Public Safety: *Parking services* may include, but are not limited to: reviewing and evaluating public parking options, parking meters, parking validation programs and parking tokens. *Public safety services* may include, but are not limited to: repainting pedestrian crosswalks; sponsoring police bicycle patrols; working with the Police District Advisory Committee (PDAC); and, promoting the use of the City's Security Rebate Program by District businesses. (Budget allocation for Year 1: \$2,900)

d. Sidewalk Cleaning: Routine sidewalk cleaning will be performed only within the central area of the District as described above at paragraph 2. The commercial properties within the central area will be assessed an additional fee for this added service. (Budget allocation for Year 1: \$61,000).

e. Personnel and Administration: Personnel and administration may include, but are not limited to, various operating expenses such as: accounting, yearly audit, legal, telephone, supplies, postage, equipment lease, paper supply, insurance utilities, rent, salaries and benefits." (Budget allocation for Year 1: \$83,000).

5. The proposed budget for fiscal year 2008-2009 was unanimously approved by the Business Improvement District (BID) Steering Committee in the amount of \$233,400. The proposed budget as well as a proposed five-year budget plan for the life of the District including, but not limited to, personnel and administration, programs and services, maintenance and operation, is attached as Exhibit A-3. To account for inflation, the budget will increase annually by about 4%, beginning on July 1, 2009.

6. The proposed revenue source for financing all proposed improvements, programs and services is set forth in Exhibit A-3.

7. The estimated time for implementation and completion of all proposed improvements, programs and services is five years, to June 30, 2013, which corresponds to the term of the District.

8. The administrative body which will govern and administer the District is the Roxborough Development Corporation (RDC).

9. The by-laws of the RDC are attached as Exhibit A-4.

10. The method of determining the amount of the assessment fee: The cost of the services for the District will be equitably apportioned among all benefiting properties within the District service area. The Central District assessment fee includes the Whole District assessment fee plus an additional assessment fee based on the additional services provided in the Central District.

The annual assessment fee for a given property within the Whole District or the Central District will be calculated by multiplying the appropriate assessment rate (percentage) by the current assessed property value as

most recently certified by the Board of Revision of Taxes (BRT).

The assessment rates for each year of the plan, with adjustments to account for inflation, have been determined as follows n:

The proposed Whole District assessment rates for the 5 year term are:

| | |
|--------------|------|
| FY 2008-2009 | .78% |
| FY 2009-2010 | .81% |
| FY 2010-2011 | .84% |
| FY 2011-2012 | .88% |
| FY 2012-2013 | .91% |

The proposed Central District assessment rates for the 5 year term are:

| | |
|--------------|-------|
| FY 2008-2009 | 1.45% |
| FY 2009-2010 | 1.51% |
| FY 2010-2011 | 1.57% |
| FY 2011-2012 | 1.63% |
| FY 2012-2013 | 1.70% |

The assessment fees for both the Whole District and the Central District for any fiscal year may not exceed the above percentages and shall be consistent with the budget herein.

11. The specific duties and responsibilities of the City of Philadelphia and the RDC with respect to the District are as follows:

a. The City will be responsible for maintaining the same level of municipal programs and services within the District during its continuation as a neighborhood improvement district as before its establishment as a neighborhood improvement district. The City will also be responsible for filing any necessary liens on properties for the nonpayment of property assessment fees as set forth in the Act at 53 P.S. §18107(A)(10).

b. The RDC shall fulfill all the duties and responsibilities of a Neighborhood Improvement District Management Association (NIDMA) as set forth in the Community and Economic Improvement Act (53 P.S. §18101 *et. seq.*). In its capacity as the NIDMA, the RDC shall annually submit an audit of all income and expenditures to the Department of Community and Economic Development and to City Council within 120 days after the end of each fiscal year; and submit a report, including financial and programmatic information and a summary of audit findings, to City Council and to all assessed property owners located in the District (as required by 53 P.S. §18109). In addition, the RDC will be responsible for the collection of all property assessment fees levied within the District.

12. A written agreement shall be signed by the City and RDC containing the following provisions:

a. The respective duties of the City and the RDC with respect to the District as set forth in paragraph 11 above;

b. The City's agreement to maintain within the District the same level of municipal programs and services that were provided within the District before its establishment;

c. A "sunset provision" under which the agreement will terminate on June 30, 2013 and may not be renewed unless the District is continued beyond that date pursuant to a reenactment of the ordinance establishing the District; and

d. The RDC's agreement to be responsible for the collection of all property assessment fees levied within the District and the City's agreement to file any necessary liens for nonpayment of property assessment fees as set forth in the Act at 53 P.S. §18107(A)(10).

13. The District shall allow for and encourage tax-exempt property owners, located within the district, to provide in-kind services or a financial contribution to the RDC, if not assessed, in lieu of a property assessment fee.

14. The negative vote of at least fifty-one percent (51%) of the property owners within the District or property owners within the District whose property valuation as assessed for taxable purposes amounts to fifty-one percent (51%) of the total property valuation located within the District proposed in the final plan, shall be required to defeat the establishment of the District by filing objections with the Clerk of Council within forty-five (45) days of presentation of the final plan.

Exhibit A-1

MAP OF THE ROXBOROUGH DISTRICT

Exhibit A-2
Properties to be included in the Roxborough District

Exhibit A-3
Proposed Budget of Roxborough District

1/6/2008

| | | |
|----------------|---------------------------------------|------------------|
| | BID BUDGET PROJECTION YEAR ONE | |
| | | |
| Revenue | | |
| | | |
| | Revenue adjusted 4% per year | \$233,400 |
| | | |
| | Total income | \$233,400 |

| | | |
|-------------|------------------------------------|------------------|
| | | |
| 3. | | |
| Expe | | |
| nses | | |
| | | |
| | MAINTENANCE & OPERATION | |
| | Payroll, taxes & Benefits | \$56,000 |
| | Supplies & repairs | \$5,000 |
| | | |
| | PERS & ADMINISTRATION | |
| | Adm Ass't / Clerk | \$15,000 |
| | Operation manager | \$27,000 |
| | Accounting, audit, legal | \$13,000 |
| | BID Billing and collection | \$6,000 |
| | Telephone | \$4,000 |
| | Supplies / postage | \$4,000 |
| | Equipment lease | \$2,000 |
| | Postage, paper supply | \$4,000 |
| | Insurance | \$5,000 |
| | Utilities | \$2,000 |
| | Misc | \$1,000 |
| | | |
| | PROGRAMS AND SERVICES | |
| | Promotion & Advertising | \$33,500 |
| | Banners | \$23,000 |
| | Landscaping | \$28,000 |
| | Donations, Memberships | \$2,000 |
| | Parking and Public Safety | \$2,900 |
| | | |
| | Total Expenses | \$233,400 |
| | | |
| | 4. Profit / Loss for period | \$0 |

Exhibit A-4

ROXBOROUGH DEVELOPMENT CORPORATION

BY-LAWS

Amended 12/14/04

ARTICLE 1 OFFICES AND UNITS

Section 1.01 Registered Office. The location and post office address of the registered office of the Corporation in Pennsylvania shall be as specified in the Articles of Incorporation or by the Board of Directors

Section 1.02 Other Offices. The Corporation shall also have offices at such other places within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time appoint and the business of the Corporation may require.

Section 1.03 Subordinate Units. The Corporation may establish and terminate local branches, chapters, counsels, clubs, or other subordinate units regardless of designation, form of government, or relationship to the corporation.

ARTICLE II DIRECTORS

Section 2.01 Number of Directors

The Board of Directors shall consist of not less than one nor more than seventeen directors, as shall be determined from time to time by resolution of the Board of Directors.

Section 2.02 Qualification of Directors. Directors of the Corporation shall be limited as follows:

- 1) Residents of Roxborough,
- 2) Persons who own or operate a business or commercial property in Roxborough,
- 3) Representatives of institutions, churches, and other not-for-profit organizations located in Roxborough,
- 4) Representatives of financial institutions, bank trust companies or credit unions that have depositors from, loans to or holdings or investments in persons or corporations residing in or doing business in Roxborough, or
- 5) Any person the Board of Directors has identified as having an interest in the well-being of Roxborough and possessing other qualifications that may assist the Corporation in meeting its corporate purposes.

Section 2.03 Nomination and Appointment of Directors

- 1) In recognition of its role as a founder of the Corporation, prior to the annual meeting each year, the Central Roxborough Civic Association (CRCA) shall nominate three candidates for service as Director for the following year.
- 2) Prior to the annual meeting, all Directors, except those nominated by CRCA, shall inform the President of their desire to serve as Directors for the following year. Such Directors shall be nominated for consideration of appointment to the Board of Directors for the following year. The President shall also appoint a nominating committee to identify candidates for service as Directors. The candidates shall represent the interests of (a) businesses located in Roxborough, (b) owners of commercial property on Ridge Avenue, (c) residents and civic associations in Roxborough and Manayunk, and (d) churches, institutions and other non-profit organizations located in Roxborough.
- 3) At the annual meeting, the Board of Directors shall appoint a new Board of Directors for the following year from the list of nominees. All Directors shall serve for a term of one year.

Section 2.04 Vacancies. A vacancy or a newly created directorship resulting from any increase in the authorized number of Directors shall be filled in the manner of appointment and election in Section 2.03.

Section 2.05 Powers. The business of the Corporation shall be managed by its Board of Directors which may exercise all such powers of the Corporation.

Section 2.06 Meetings. The Board of Directors may hold both regular and special meetings, either within or without the Commonwealth of Pennsylvania.

Section 2.07 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and at such place as shall from time to time be designated by the Directors. If such designation is by standing resolution of the Board, no notice other than such resolution shall be required. If such designation is by resolution or consensus adopted at a duly convened meeting of the Board with respect to the next meeting of the Board, further notice need be given only to those Directors not present at such duly convened meeting. Such

notice shall be in person, or by telephone, email, or mail at least two days prior to such next meeting. In all other cases, notice shall be given to all Directors in person, or by telephone, telegram, for mail, at least two days prior to any regular meeting.

Section 2.08 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, if any, or by the President on two days, notice to each Director, given either personally, by mail, by telegram, or by telephone; special meetings shall be called by the Chairman of the Board, the President, or the Secretary in like manner and on like notice on the written request of two Directors.

Section 2.09 Purpose of Meeting. Notice of a Board of Directors meeting shall include the purpose of the meeting if the purpose of such meeting is to amend the Bylaws.

Section 2.10 Quorum and Action. At all meetings of the Board of Directors, a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Each Director shall be entitled to one vote. If a quorum shall not be present at any meeting or Directors, the Directors present there at may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until a quorum shall be present.

Section 2.11 Conference Telephone. One or more Directors may participate in a meeting of the Board of Directors, or a committee thereof, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 2.12 Informal Action. Any action which may be taken at a meeting of the directors or the members of any committee of the Board may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all the Directors or the members of the committee, as the case may be, and shall be filed with the Secretary of the Corporation.

Section 2.13 Committees. The Board of Directors may establish one or more committees, each committee to consist of one or more directors appointed by the Board. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided by resolution of the Board of Directors or in the Bylaws shall have and exercise the authority of the Board of Directors, except that no such committee shall have any power or authority as to the following:

- 1) Any action requiring approval of directors under the Nonprofit Corporation Law of 1972, or any future nonprofit corporation law.
- 2) The filling of vacancies in the Board of Directors.
- 3) The adoption, amendment, or repeal of the Bylaws.
- 4) The amendment or repeal of any resolution of the Board.
- 5) Action on matters committed by the Bylaws or resolution of the Board of Directors to another committee of the Board.

Section 2.14 Compensation. Directors may receive such reasonable compensation for their services and expenses as the Board of Directors shall fix. Nothing herein contained shall be construed to preclude any Directors from serving the Corporation in any other capacity and receiving compensation therefore.

ARTICLE III OFFICERS AND AGENTS

Section 3.01 Titles. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President, a Vice-President, a Secretary, and a Treasurer or persons who shall act as such regardless of the name or title by which they may be designated. The Corporation may also have such other officers and agents as the Board shall from time to time authorize who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The President, the Vice-President, and the Secretary shall be natural persons of full age; the Treasurer may be a corporation but, if a natural person, shall be of full age. Any number of the aforesaid offices may be held by the same person.

Section 3.02 Nomination and Election of Officers. Each year, at the conclusion of the annual meeting, the outgoing President shall call for nominees from the new Board of Directors to serve as Officers. The Board of Directors at their first meeting of each year shall elect a President, a Vice-President, a Secretary, and a Treasurer, from among the nominees.

Section 3.03 Salaries. The salaries of the officers of the Corporation shall be fixed by the Board of Directors.

Section 3.04 Terms of Office. The terms of office of the officers of the Corporation shall be as specified by the Board of Directors, and they shall hold office until their successors are chosen and qualify. Officers shall be nominated and elected to terms specified prior to voting. Any officer appointed by the Board of Directors may be removed at any time by the affirmative vote of two-thirds of the Directors present at a meeting at which a quorum is present. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

Section 3.05 President. Unless provided otherwise by the Board of Directors, the President shall be the chief executive officer of the Corporation; shall preside at all meetings of the Board of Directors; shall have general and active management of the business of the Corporation; and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

Section 3.06 Vice-President. The Vice-President shall perform such duties as the Board of Directors or the President shall from time to time prescribe, and shall assume the duties of the President in the absence of the President.

Section 3.07 Secretary. The Secretary or his or her designated alternate shall attend all meetings of the Board of Directors and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book or be kept for that purpose and shall perform like duties for any duly authorized committee when required. The Secretary, or his or her alternate, shall give, or cause to be given, all required notices of all meetings of the Board of Directors, and the Secretary shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he or she shall be. The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his or her signature.

Section 3.08 Treasurer. The Treasurer shall have the custody of the corporation funds and securities and shall keep full and accurate accounts of all receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requests, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Corporation shall carry fidelity bond insurance covering the Treasurer in an amount deemed appropriate by the Board of Directors.

ARTICLE IV FINANCE

Section 4.01 Subventions. Upon resolution of the Board of Directors, the Corporation may accept subventions (money or other property applied to or expended for the formation, reorganization, or benefits of the Corporation) and issue certificates therefore in accordance with the Corporation Not-for-profit Code.

Section 4.02 Debt. The Corporation may issue bonds or other evidence of indebtedness only for money, property, or labor or services actually received by or performed for the corporation.

Section 4.03 Fees, Dues and Assessments. The Board of Directors may by resolution from time to time, set or amend a schedule of dues or assessments, or both, applicable to directors, and prescribe the times and methods of collecting such dues or assessments.

Section 4.04 Fees and Profits. The Corporation may charge fees or prices for services or products it renders within its lawful authority, and may receive such income and make an incidental profit thereon. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Corporation, and in no case shall be divided or distributed in any manner whatsoever

among the Directors or officers of the Corporation.

Section 4.05 Property Held for Charitable Purposes. Property committed to charitable purposes shall not be diverted from the objects to which it was donated, granted or devised, except upon court order specifying and disposition of the property.

Section 4.06 Investment in Trust Funds. Unless otherwise provided in the trust instrument, the Board of Directors shall have the power to invest any assets vested in the Corporation by such instrument, or the proceeds thereof, separately or together with other assets of the Corporation, in the manner authorized for fiduciaries by the Probate, Estates and Fiduciaries Code, and to retain any investments heretofore so made. Any investments may be held in the name of the Corporation or in the name of a nominee of the Corporation. The Directors shall keep accurate accounts of all trust funds, separate and apart from the accounts of other assets of the Corporation.

Section 4.07 Allocation of Trust Capital Gains to Income. With respect to any assets held subject to Section 4.06 (including any participation in any common trust fund) so much of the net realized capital gains as of the end of any fiscal year of the Corporation as the Directors or other body shall, within four months after the end of such year, in their sole discretion, allocate to income for such fiscal year shall be deemed income. The amount allocated under this Section, when added to all other income received by the Corporation from the same assets or participation in a common trust fund for such fiscal year, shall not exceed 9% of the market value (as of the end of such fiscal year) of the principal remaining with respect to such assets or participation after allocation of such gain to income. Allocation to income of realized capital gains in a common trust fund may be made in accordance with the provision of this Section without regard to whether the capital gains in question were realized before or after any particular trust or fund became a part of such common trust fund and without regard to whether the separate records maintained with respect to such particular trust or fund reflect the existence of a capital gain in such trust or fund.

Section 4.08 Transfer of Trust Assets to Institutional Trustee. The Board of Directors may by resolution make a revocable or irrevocable transfer of assets held subject to Section 5.06 to a bank and trust company or a trust company incorporated under the Laws of Pennsylvania, or to a national banking association having fiduciary powers and having its principal office in Pennsylvania, to hold such assets as corporate trustee.

Section 4.09 Dividends and Profits. The Corporation shall not pay dividends or distribute any part of its income or profits to its Directors or officers.

Section 4.10 Payments Permitted. The Corporation may:

- 1) Pay compensation in a reasonable amount to Directors or officers for services rendered;
- 2) Repay capital contributions; and
- 3) Redeem its subvention certificates or evidences of indebtedness, as authorized by the Corporation Not-for-Profit Code, except when the Corporation is insolvent, or when such act would leave insufficient assets to meet its liabilities.

Section 4.11 Financial Reports. The Board of Directors shall annually develop a report, verified by the President and Treasurer, or by two-thirds of the Directors, which report shall indicate in appropriate detail:

- 1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.
- 2) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.
- 3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.
- 4) The expense or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

Section 4.12 Common Trust Funds. The Corporation may establish and maintain one or more common trust funds, subject to the provisions of the Corporation Not-for-profit Code, and may, subject to any specific limitation or restriction contained in the trust instrument under which assets are held by the Corporation, hold, invest, and reinvest the assets of each such trust in such common trust fund. The Corporation shall clearly designate on its records the names of the trusts or funds on behalf of which it owns a participation of any common trust fund, and the extent of the interest of the trust of fund therein.

ARTICLE V REAL ESTATE

Section 5.01 Authorization for Transactions. The Corporation shall not (a) purchase or (b) mortgage, lease away, or otherwise dispose of its real estate unless authorized by the vote of two-thirds of the Directors in office.

ARTICLE VI INDEMNIFICATION AND INSURANCE

Section 6.01 Scope of Indemnification. The Corporation shall indemnify such persons as it may indemnify

under Sub-chapter D of Chapter 57 of the Corporation Not-for-Profit Code, subject to the provisions of such Subchapter. The Corporation shall also indemnify any representative against expenses actually and reasonably incurred by such representative in the successful defense of any suit, to the extent required by Section 5743 of the Corporation Not-for-Profit Code.

Section 6.02 Insurance. The Board of Directors may authorize the Corporation to purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such representative and incurred by such representative in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such representative against such liability under the provisions of Subchapter D of Chapter 57 of the Corporation Not-for-profit Code.

ARTICLE VII CONFLICTS OF INTEREST

Section 7.01 Policy. It is recognized that occasions may arise when a Director, officer or committee member of the Corporation has a financial interest in a contract or transaction upon which action is to be taken or withheld by the Board of Directors or a committee thereof. It is the policy of the Corporation and of its Board of Directors that:

- 1) Any material facts as to such financial interest shall be disclosed by such committee member, director or officer to the Board or committee entitled to vote on such contract or transaction.
- 2) The committee member director or officer having such financial interest on any matter shall not vote or use any personal influence in regard to the matter (except that the director or officer may state a position on the matter and respond to questions about it); however, such committee member, director or officer may be counted in determining the quorum for the meeting at which the matter is voted upon. The minutes of the meeting shall reflect that the disclosure was made and the abstention from voting.
- 3) No contract or transaction in which a director or officer has a financial interest shall be knowingly entered into by the Corporation unless it has been authorized in good faith by the Board of Directors pursuant to Section 5728 of the Corporation Not-for-profit Code.

Section 7.02 Annual Review. This policy shall be reviewed by the Board of Directors annually for the information and guidance of directors of the Board and officers, and brought to the attention of new directors and officers. In this connection, the Board shall adopt a statement of policy for distribution to such directors and officers explaining the obligations of such individuals under applicable law and this Article VII.

ARTICLE VIII GENERAL PROVISIONS

Section 8.01 Construction of Powers. Unless these Bylaws expressly or by clear construction or implication so provide, nothing contained in these Bylaws is intended to or shall limit, qualify, or restrict any powers or authority granted or permitted to nonprofit corporations by the Corporation Not-for-profit Code.

Section 8.02 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

Section 8.03 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 8.04 Checks. All checks or demands for money and notes of the Corporation 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 8.05 Waiver of Notice. Whenever a notice is required to be given under the provisions of the Corporation Not-for-profit Code or these Bylaws, a waiver in writing, signed by the person or persons entitled to said notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such

notice. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting.

Section 8.06 Records. An original or duplicate record of the proceedings of the Directors and other bodies, the books or records of account and the Bylaws shall be kept at the registered office or principal place of business.

Section 8.07 Disposition of Income and Assets. No part of the income or profits of the Corporation shall be paid, distributes or otherwise inure to the benefit or use of its Directors or officers or other private persons except that the Corporation shall be authorized to pay compensation in a reasonable amount to its Directors or officers for services rendered and to make payments and distributions in furtherance of its general corporate purposes including contribution and donations for charitable purposes. Upon dissolution of the Corporation, the assets of the Corporation shall not be distributed to its Directors or officers or other private persons. In the event of such dissolution, the Board of Directors shall, after paying or making provision for the payment of all corporate liabilities and after provision is made for the disposition of any property committed to charitable purposes as required by court order, transfer and convey the remaining assets to such charitable organization as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 for the corresponding provisions of any future United States Internal Revenue Law and as shall be determined to be most similar to the Corporation's purposes and method or operation.

ARTICLE IX AMENDMENTS

Section 9.01 Amendments. These Bylaws may be altered, amended, or repealed by a two-thirds vote of the directors present at any regular or special meeting duly convened after notice to the directors of that purpose, subject to limitations of the directors to act as set forth at Section 5504(b) of the Corporation Not-for-profit Code.