

**AMENDED BYLAWS OF
NORTHERN LIBERTIES BUSINESS IMPROVEMENT DISTRICT, INC.**

ARTICLE 1 - NAME

1.01 Name.

The name of this entity shall be the Northern Liberties Business Improvement District, Inc. (NLBID). As permitted under state statute the NLBID, Inc. is opting to organize itself as a nonprofit corporation authorized to serve as the Neighborhood Improvement District Management Association as designated by the City of Philadelphia.

ARTICLE II – PURPOSES

2.01 Purposes.

The Northern Liberties Business Improvement District, Inc. shall:

- ☐ Assume and implement all powers granted to it by virtue of its designation by the City of Philadelphia as a Neighborhood Improvement District Management Association (NIDMA) as defined by the Community and Economic Improvement Act 53 P.S. §18107 for the Service Area defined in Philadelphia City Ordinance number 171131
- Provide supplements to the municipal services of the City of Philadelphia;
- Maintain a safe, clean and vibrant commercial district for the benefit of the residents, users, and owners within the district, and to citizens of Philadelphia and the region;
- Create opportunities for the business and residential communities to come together to make improvements to the district;
- Develop and implement programs and services that ensure that Northern Liberties continues to be a desirable place to live, work, shop, invest and visit.

ARTICLE III - TAX CODE

3.01 Tax Code.

Said Corporation is organized exclusively for charitable, educational, religious or scientific purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future Federal Tax Code). Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

ARTICLE IV - DEFINITIONS

4.01 Definitions.

The following terms used in these Bylaws shall have the meanings set forth below.

- A. “Act” means the Pennsylvania Nonprofit Corporation Law of 1988, as amended.
- B. “Board” means the Board of Directors of the Corporation.

- C. “Board Representative” means an individual appointed by the Board pursuant to Section 9.02 hereof.
- D. “Corporation” means the Northern Liberties Business Improvement District, Inc.
- E. “Director” means an individual serving on the Board as a voting member and shall not include non-voting Board Representatives.
- F. “District” means the area within the boundaries of the Corporation.
- G. “Members” means owners of those tax paying commercial properties and owners of businesses located in the District.
- H. The Boundaries of the District are North 2nd Street from Callowhill Street to Girard Avenue, North 3rd Street from Spring Garden Street to West Wilkey Street, West Girard Avenue from North Howard Street to Germantown Avenue, Spring Garden Street from 2nd to 5th Streets; Green, Fairmount, Brown and Poplar Streets from the east side of 2nd Street to the west side of 3rd Street; and any commercial properties immediately adjacent to or congruent to the district.
- I. Unless otherwise specified, the terms “in writing” and “written notice” shall include printed, mailed, emailed, or otherwise electronically transmitted documents.

ARTICLE V – OFFICES

5.01 Offices.

The registered office of the Corporation shall be 1030 N 2nd St Suite 301, Philadelphia PA 19123 or any location within the District hereafter designated by the Board of Directors.

ARTICLE VI – SEAL

6.01 Seal.

The Corporation may use a corporate seal. The corporate seal shall have inscribed thereon the name of the Corporation the year of its organization and the words “Corporate Seal, Pennsylvania.”

ARTICLE VII – MEMBERS

7.01 Classes of Members.

The Corporation shall have one class of members, which is defined as assessment payers and business owners within the District or their agents, with financial stake in a property or business with a letter from the assessment payer or business owner authorizing them to vote on their behalf.

7.02 Termination of Membership.

The Board may terminate the membership of any Member who becomes ineligible for membership, as determined by the Board.

7.03 Voting Rights.

Each Member in good standing, who is current with the assessments on their property, shall be entitled to one (1) vote per property or business on each matter submitted to a vote of the Members, with a maximum of 5 votes for any individual property or business owner.

7.04 Reserved Power of Members.

Except as provided in §5310(a) of the Act, the Board shall not have the Corporation to adopt or change a bylaw on any subject that is committed expressly to the Members by any of the provisions of the Act.

ARTICLE VIII – MEETINGS OF THE MEMBERS**8.01 Annual Meeting.**

The annual meeting of the Members shall be held at a time and place established by the Executive Committee of the Board.

8.02 Special Meetings of the Members.

Special meetings of the members may be called at any time by the Board or by Members entitled to cast at least ten percent (10%) of the vote. Upon written request of the person calling the special meeting, the Secretary shall (a) fix the date and time of the meeting, which shall be held not more than forty-five (45) days after receipt of the request, and (b) give notice to the Members. If the Secretary neglects or refuses to fix the meeting date or give notice of a special meeting, the person or persons calling the meeting may do so.

8.03 Notice of Meetings of the Members.

Written notice of every meeting of the Members shall be given to the Members by, or at the direction of, the Secretary at least ten (10) days prior to the date of the meeting, pursuant to Section 8.01 hereof. In the case of special meetings of the Members, the notice shall specify the general nature of the business to be transacted.

8.04 Quorum.

At any meeting of the Members, the presence of 10% of all Members entitled to vote shall constitute a quorum. Except in cases in which it is by statute, by the Certificate of Incorporation or by the Bylaws otherwise prohibited, the vote of the majority of such quorum at a duly constituted meeting shall be sufficient to transact business or pass any measure. In the absence of a quorum, the Members present by a majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend.

8.05 Conduct of the Meetings of the Members.

The Chair of the Board shall preside at all Members' meetings, or, in their absence, the Vice- Chair, if one is elected, or any other officer of the Board. The officer presiding over the Members' meetings may establish such rules and regulations for the conduct of the meetings as such officer may deem to be reasonably necessary or desirable for the orderly and expeditious conduct of the meeting.

8.06 Consent of Members in Lieu of Meeting

Any action which may be taken at a meeting of the Members may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the Members who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the Corporation.

ARTICLE IX – BOARD OF DIRECTORS**9.01 Board of Directors.**

The business, property and affairs of the Corporation shall be managed under the direction of the Board. The powers of the Corporation shall be exercised by, or under the authority of the Board except as otherwise provided by statute, the Articles of Incorporation, these Bylaws, or a resolution adopted by the Board. In addition to the powers and duties conferred on the Board under the laws of the Commonwealth of Pennsylvania, the Board shall have the power to borrow money or purchase, sell, lease or otherwise dispose of any real estate or other property of the Corporation. The Board shall also have the authority to interpret the provisions of the Bylaws and its interpretation shall be binding upon the Corporation.

9.02 Number of Directors and Composition of the Board.

The Board shall be comprised of an odd number of members, with a maximum of fifteen (15) voting members as required by state law, with at least one member representing the municipal corporation within the Neighborhood Improvement District. One member of the Board shall be a representative of the City of Philadelphia. Any elected official elected to the Board may designate a representative to serve in their place and such designee shall hold the same duties and powers conferred upon all other members of the Board. The Board shall include a representative from the Northern Liberties Neighbors Association and a representative of the 2nd Street Festival for as long as either entity exists as an independent entity, a minimum of one property owner, and a minimum of 80% of the elected board members owning property or owning or operating a business in the district.

9.03 Election and Term of Office.

Directors shall be elected annually. The Board shall be divided into two classes, with one half of the Directors in the first class with a term of one year and one half in the second class with a term of two years. Board members shall be elected by the Members at the annual meeting by secret ballot. In the case of a vacancy in any class, the vacancy shall be filled for the balance of the term of the class. Any subsequent elections will be for staggered two-year terms for open seats and vacancies.

The Board may increase or decrease the number of Directors at any time within the range of five (5) to fifteen (15) as required by state law, and shall allocate the new or eliminated Director positions among the classes so that the number of Directors of one class shall at no time vary from the number of Directors in the other class by more than two (2) without the necessity of an Amendment to the Bylaws. Except as otherwise provided by resolution of the Board, each Director's term begins at the time of their election. Each Director shall hold office until (a) the expiration of the term for which they were elected and until their successor has been elected and qualified, or (b) their earlier death, resignation, or removal.

9.04 Vacancies.

Vacancies on the Board, including vacancies resulting from an increase in the number of Directors, may be filled by a majority vote of the remaining members of the Board (even if less than a quorum). Each Director elected to fill a vacancy created by the resignation or inability to serve as a Director shall serve for the balance of the unexpired term of such Director or until their successor is duly elected and qualified.

9.05 Removal of Directors.

Any Director may be removed from office by the Board at any time with written cause. A new Director shall be elected to fill the unexpired term of any removed Director as provided in Section 9.04.

9.06 Resignations.

Any Director may resign at any time. Such resignation shall be in writing unless waived by vote of the remaining Board, but the acceptance thereof shall not be necessary to make it effective.

9.07 Attendance.

Each Director shall attend all meetings of the Board. Notwithstanding any other provision of Article 9, if a Director (i) fails to attend at least eighty percent (80%) of the meetings of the Board in any consecutive twelve (12) month period, or (ii) fails to attend three (3) consecutive meetings of the Board, such Director shall be eligible for removal from the Board at its discretion.

9.08 Compensation of Directors.

Directors shall not be entitled to any compensation for their services as Directors.

9.09 Voting Rights.

Each Director shall be entitled to one vote.

ARTICLE X – MEETINGS OF DIRECTORS

10.01 Annual Meeting.

The annual meeting of the Board shall be held in each calendar year on such date and at such time and place as the Board shall by resolution determine or as may be designated in the notice of the meeting.

10.02 Regular Meetings.

Regular meetings of the Board shall be held on such regularly scheduled dates and at such times and places as the Board shall by resolution determine or as may be designated in the notice of the meeting.

10.03 Special Meetings of the Board.

On the written request of the Chair of the Board or of at least one-third (1/3) of the members of the Board, the Secretary shall call a special meeting of the Board. Such request shall state the general nature of the business to be transacted at such meeting. The time and place of such special meeting shall be fixed by the Secretary and the meeting shall be called within ten (10) days of receipt of such request. The special meeting shall be held not more than thirty (30) days after receipt of request therefore. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.

10.04 Notice.

The Secretary or their designee shall give to each member of the Board not less than five (5) days prior written notice of each meeting of the Board (annual, regular or special). The notice, which shall be made pursuant to Section 15.1, shall state the time and the place of the meeting, and in the case of special meetings, the general nature of the business to be transacted thereat.

10.05 Quorum.

At any meeting of the Board, the presence of a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business. The acts of the majority of Directors present at a meeting at which a quorum is present shall be the acts of the Board. The Directors present at a duly organized meeting can continue to conduct business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

10.06 Consent of Directors in Lieu of Meeting.

Any action which may be taken at a regular meeting 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 a simple majority of the Directors in office and shall be filed with the Secretary of the Corporation. Any votes taken in writing shall be added to the minutes of the following Board Meeting.

ARTICLE XI - COMMITTEES**11.01 Establishment and Powers.**

The Board may, by resolution adopted by a majority of the Directors, establish one or more committees to consist of one or more Members of the Corporation. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority granted by the Board, except that no committee, shall have any power or authority as to the following:

- a. The submission to the Members of any action requiring approval of the Members under the Act;
- b. The filling of vacancies in the Board;
- c. The adoption, amendment or repeal of the Bylaws;
- d. The amendment or repeal of any resolution of the Board; or,
- e. Action on matters committed by the Bylaws or by resolution of the Board to another committee of the Board.

11.02 Term.

Each committee of the Board shall serve at the pleasure of the Board.

11.03 Committee Organization.

Except as otherwise provided in these Bylaws or by the Board, each committee shall establish its own operating procedures. Each committee shall keep minutes of its proceedings and report the same to the Board at each regular meeting. Each committee shall determine its times and places of meetings.

11.04 Standing Committees.

The Standing Committees of the Board shall be the Executive Committee and other Standing Committees as the Board may by resolution authorize.

Each Standing Committee shall include as Members the number and particular individuals required by these Bylaws, and additional Members as the Chair may appoint, subject to approval by the Board. Each Standing Committee shall have the powers and duties provided in these Bylaws and such other powers and duties as the Board may assign. Members of Standing Committees shall be appointed annually and shall be subject to approval by the Board at the annual meeting of the Board or at such other meeting of the Board as the Board may by resolution designate. Vacancies may be filled by appointment by the Chair, subject to approval by the Board at any meeting of the Board.

11.05 Executive Committee.

The Corporation shall have an Executive Committee, which shall perform the duties and exercise the authority assigned to them by the Board, subject to the limitations set forth in these Bylaws. The Chair of the Board shall act as Chairperson of the Executive Committee. Members of the Executive Committee shall be the Officers, or in the event of a vacancy of office, someone appointed by the Board Chair.

ARTICLE XII – OFFICERS

12.01 Number.

The Corporation shall have a Chair, Secretary, and Treasurer. In addition, the Corporation may have one or more Vice-Chairs, one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board shall from time to time determine.

12.02 Election and Term of Office.

Each officer shall be elected at the annual meeting of the Board and shall serve for a term of one (1) year and until a successor is duly elected and qualified. All other officers shall be elected by the Board at the time, in the manner, and for such term as the Board from time to time determines. Each officer shall serve until a successor is duly elected and qualified, or until such officer resigns or is removed from office.

12.03 Removal of Officers.

Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation will be served. The Board shall immediately elect a new officer to fill the unexpired term of any officer's position which becomes vacant by either removal or resignation. The Board may declare vacant the office of a Director who is declared of unsound mind by an order of the court or is convicted of a crime.

12.04 Resignations.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation.

12.05 The Chair.

The Chair of the Board shall preside at all meetings of the Board. They shall have such other powers as shall be designated by the Board. As authorized by the Board, the Chair shall execute all instruments requiring such execution, except to the extent that signing and execution thereof is expressly

delegated by the Board to some other officer or agent of the Corporation. Upon request of the Board, the Chair shall report to it all matters which the interests of the Corporation may require to be brought to the attention of the Board.

12.06 The Secretary.

The Secretary shall keep the minutes of the Corporation and shall give such notices of meetings as required by these Bylaws. The Secretary shall have such other duties and have such other powers as shall be designated by the Board.

12.07 The Treasurer.

The Treasurer shall have care and custody of the books and records of account of the Corporation and, subject to the direction of the Board, shall have charge of and be responsible for all funds and securities of the Corporation. They shall render financial statements to the Board from time to time upon request. The funds of the Corporation shall be deposited to its credit in such a manner and in such depositories as the Board of Directors may from time to time designate and shall be subject to withdrawal by check, draft or other order by such officer or officers of the Corporation as may from time to time be designated by the Board. The Treasurer shall have such other powers and duties as may be designated by the Board.

ARTICLE XIII – EXECUTIVE DIRECTOR

13.01 The Executive Director.

At its discretion, the Board may create the position of Executive Director and other staff members as needed

The Executive Director shall be the chief operating officer of the Corporation and shall be responsible for the day-to-day management and operations of the Corporation, subject to the control of the Board. The Executive Director's duties include, but are not limited to: (i) managing the day-to-day business and operations of the Corporation, (ii) promotions and marketing for the Corporation, (iii) supporting economic development in the District, (iv) developing initiatives to improve public spaces in the District, (v) attending all meetings, and (vi) providing support for the activities and meetings of the Board.

The Executive Director shall have such other duties and powers as shall be designated by the Board. At the Board's discretion, the Executive Director may serve as a non-voting, *ex-officio* member of the Board.

ARTICLE XIV – BOARD OF ADVISORS

14.01 Board of Advisors.

The Board may establish a non-voting District Advisory Committee (the "Board of Advisors") to advise the Corporation and the Board with respect to how the purposes of the Corporation may be furthered.

14.02 Number of Advisors and Composition of the Board of Advisors.

The Board of Advisors shall consist of an odd number of members, between five (5) and nine (9), who shall be representative of the neighborhood's character, including, but not limited to, age, gender and cultural diversity.

The Board may appoint one or more persons who may but need not be Members of the Corporation to serve as the chairperson of the Board of Advisors. The Chair of the Board shall also be an *ex-officio* member of the Board of Advisors. Members of the Board of Advisors shall serve at the pleasure of the Board and may be removed by the Board with or without cause.

14.03 Qualification.

Each member of the Board of Advisors shall be an individual at least 18 years of age.

14.04 Selection.

An individual qualified to serve on the Board of Advisors pursuant to Section 14.03 hereof shall submit a written request to the Board indicating their interest in serving on the Board of Advisors. The Board, at its complete discretion, shall select certain individuals to serve on the Board of Advisors from such pool of requests.

14.05 Recommendations.

The Board of Advisors' reports and recommendations to the Board shall not be binding on the Board. The Board of Advisors shall not have any power or authority on behalf of the Corporation.

ARTICLE XV – NOTICE

15.01 Written Notice.

Whenever written notice is required to be given to any person, it may be given to the person, either personally or by sending a copy by first class or express mail, postage prepaid, by email or by telegram (with messenger service specified), telex or TWX (with answer back received) or courier service, charges prepaid, or by facsimile transmission, to their address (or to their telex, TWX or facsimile number) appearing on the books of the Corporation or, in the case of Directors, supplied by them to the Corporation for the purpose of notice. If the notice is sent by mail, email, telegraph or courier service, it shall be deemed to have been given when deposited in the United States mail, sent by a dated email, or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched or in the case of facsimile, when receipt has been confirmed. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by the Act. Except as otherwise provided by the Act or these Bylaws, when a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

15.02 Waiver by Writing.

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

15.03 Waiver by Attendance.

Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XVI – FIDUCIARY DUTIES

16.01 Board of Directors.

A Director of the Corporation shall stand in a fiduciary relation to the Corporation and shall perform the duties as a Director, including the duties as a member of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

In performing the duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

- a. One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matter presented.
- b. Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person.

16.02 Duties.

In discharging the duties of their respective positions, the Board, committees of the Board and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this Section.

16.03 Intent.

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

ARTICLE XVII – LIMITATION OF LIABILITY; INSURANCE**17.01 Limitation of Liability of Directors.**

A Director shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action as stipulated in Act 15 Pa. C.S.A. §5101, et seq., unless: (i) the director has breached or failed to perform the duties of their office under the Act, as amended from time to time; and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

17.02 Insurance.

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Corporation.

18.01 Mandatory Indemnification.

The Corporation shall, to the fullest extent permitted by applicable law, indemnify its Directors and Officers who were or are a party or are threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such Director or Officer is or was a Director or Officer of the Corporation or is or was serving at the request of the Corporation as a trustee, Director, Officer, employee, general partner, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise (including tiding service with respect to employee benefit plans), against expenses (including but not limited to, attorney fees and costs), judgments, fines (including excise taxes assessed on a person with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by such Director or officer in connection with such action, suit or proceeding, by reason of the fact that such Director or officer is or was a Director or officer of the Corporation.

18.02 Expenses.

Expenses incurred by a person covered by Section 18.01 hereof in defending a threatened, pending or completed civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceedings upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation, except as otherwise provided, in Section 18.03.

18.03 Exceptions.

No indemnification under Section 18.01 or advancement or reimbursement of expenses under Section 18.02 shall be provided to a person covered by Section 18.01 hereof:

- a. if a final unappeasable judgment or award establishes that such Director or officer engaged in self-dealing, willful misconduct or recklessness;
- b. for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) which have been paid directly to such person by an insurance carrier under a policy of officers' and director's liability insurance maintained by the Corporation or other enterprise;
- c. for amounts paid in settlement of any threatened, pending or completed action, suits or proceeding without the written consent of the Corporation, which written consent shall not be unreasonably withheld; or

The Board is hereby authorized, at any time by resolution, to add to the above list of exceptions from the right of indemnification under Section 18.01 or advancement or reimbursement of expenses under Section 15.2, but any such additional exception shall not apply with, respect to any event, act or omission which has occurred prior to the date that the Board in fact adopts such resolution. Any such additional exception may, at any time after its adoption, be amended, supplemented, waived or terminated by further resolution of the Board.

18.04 Continuation of Rights.

The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article 15 shall continue as to a person who has ceased to be a Director or officer of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

18.05 General Provisions.

1. The term "to the fullest extent permitted by applicable law," as used in this Article 18, shall mean the maximum extent permitted by public policy, common law or statute. Any person covered by Section 18.01 hereof may, to the fullest extent permitted by applicable law, elect to have the right to indemnification or to advancement or reimbursement of expenses, interpreted, at such person's option (i) on the basis of the applicable law on the date this Article 18 was adopted, or (ii) on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the action, suit or proceeding, or (iii) on the basis of the applicable law in effect the time indemnification is sought

2. Nothing contained in this Article 18 shall be construed to limit the rights and powers the Corporation possessed under the Pennsylvania Nonprofit Corporation Law of 1988 (as amended from time to time), the Director's Liability Act, or otherwise, including, but not limited to, the powers to purchase and maintain insurance, create funds to secure its indemnification obligations, and any other rights or powers the Corporation may otherwise have under applicable law.

3. The provisions of this Article 18 may, at any time (and whether before or after there is any basis for a claim for indemnification or for the advancement of reimbursement of expenses pursuant hereto), be amended, supplemented, waived, or terminated, in whole or in part, with respect to any person covered by Section 18.01 hereof by a written agreement signed by the Corporation and such person.

18.06 Optional Indemnification.

The Corporation may, to the fullest extent permitted by applicable law, indemnify and advance or reimburse expenses for persons in all situations other than that covered by this Article 18.

ARTICLE XIX – CONFLICT OF INTEREST

19.01 Purpose.

The purpose of the conflict of interest policy is to protect the Corporation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. "Excess benefit transaction" is defined as a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of a disqualified person, and the value of the economic benefit provided by the organization exceeds the value of the consideration received by the organization). This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

19.02 Definitions.

1. Interested Person. Any Director, Officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

d. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors or appropriate committee decides that a conflict of interest exists, as set forth below in 19.03.

19.03 Procedures.

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and All material facts, and after any discussion with the interested person, they shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest.**
 - a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

19.04 Violations of the Conflicts of Interest Policy.

1. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
3. **Records of Proceedings.** The minutes of the Board and all committees with Board delegated powers shall contain:
 - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
 - b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

19.05 Compensation.

1. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

19.06 Annual Statements.

Each Director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
5. Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
 - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

19.07 Use of Outside Experts.

When conducting the periodic reviews as provided for in section 19.06, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XX – ANNUAL REPORT**20.01 Annual Report.**

The Board shall present annually to the Members a financial report prepared by an independent auditor (or Certified Public Accountant). The Treasurer shall make a presentation on the fiscal condition of the Corporation at the Annual Meeting.

ARTICLE XXI – FISCAL YEAR

21.01 Fiscal Year.

The fiscal year of the Corporation shall mean the annual accounting year, which is anticipated will begin on July 1 of each year.

ARTICLE XXII – CORPORATE RECORDS**22.01 Corporate Records.**

The Corporation shall keep minutes of the proceedings of the Members, Directors and any other body, and a membership register, giving the names and addresses of all Members and the details of the membership of each. The Corporation shall also keep appropriate, complete and accurate books or records of account. The records shall be kept at the registered office of the Corporation, the Corporation's principal place of business or any other actual business office of the Corporation.

ARTICLE XXIII – DISSOLUTION**23.01 Dissolution.**

In the event the Corporation ceases to function as envisioned in Section 2.01, the Board of Directors shall vote to dissolve the Corporation and the 501 (c)3 entity. In the event of such dissolution, all of the Corporation's assets, after satisfying any creditors, shall be distributed to the Northern Liberties Neighbors Association, or in its absence, to an organization dedicated to the improvement of Northern Liberties, which is identified as an exempt purpose within the meaning of 501 (c)3 of the Internal Revenue code, i.e., charitable, educational, religious or scientific, or corresponding section of any future Federal Tax code.

ARTICLE XXIV - AMENDMENT**24.01 Amendment or Repeal.**

Except as provided in the Act, these Bylaws may be amended or repealed, in whole or in part, and new Bylaws may be adopted, by the vote of 2/3 of the Directors then in office at any meeting of the Board after a minimum of ten (10) days of notice has been given to all Directors stating that purpose. No motion to amend, alter or repeal or enact a new bylaw or bylaws shall be voted on unless prior to the meeting to discuss said action, a full written statement of the exact language of the motion shall be delivered to every member of the Board.