

AMENDED AND RESTATED BYLAWS

OF

PHILADELPHIA ACTIVITES FUND, INC.

INCORPORATED UNDER THE LAWS

OF THE

COMMONWEALTH OF PENNSYLVANIA

Amended on January 25, 2023.

CORPORATE BYLAWS
of
PHILADELPHIA ACTIVITIES FUND

ARTICLE I

GENERAL

- 1.1 **Name.** The name of the Organization is “**Philadelphia Activities Fund**” (the “Organization”).
- 1.2 **State of Incorporation.** The Organization is a Pennsylvania nonprofit corporation, organized under the Pennsylvania Nonprofit Corporation Law of 1988 (the “Act”) on 27 of June, 1994.
- 1.3 **Registered Office.** The registered office of the Organization in Pennsylvania shall be at the place designated in the Articles of Incorporation or at such place within the Commonwealth of Pennsylvania as the Board of Directors may determine. Before the change of location becomes effective, the Organization shall either amend its Articles of Incorporation to reflect the change in location, or shall file in the Pennsylvania Department of State a statement of change of registered office.
- 1.4 **Other Offices.** The Organization may also have offices at such other places within and without the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine, or as the activities of the Organization may require.
- 1.5 **Corporate Seal.** The Organization shall not use a corporate seal and all documents, instruments, and agreements executed and delivered by the Organization shall have the same efficacy as if a corporate seal had been affixed thereto.
- 1.6 **Purposes.** The purposes of the Organization are as provided in the Amended Articles of Incorporation, including, providing funds to support, enhance and serve community and recreation organizations and activities within the City of Philadelphia (including, without limitation, sports, dance, arts and health) and encouraging and increasing opportunities for involvement, instruction and participation in activities by diverse constituencies.

ARTICLE II

MEMBERSHIP

- 2.1 **Membership.** The Organization shall have no members. As provided in Section 3.1, the Directors shall have all of the power to manage the business and affairs of the Organization.

ARTICLE III

BOARD OF DIRECTORS

3.1 **General Powers; Duties.** The business and affairs of the Organization shall be managed by a Board of Directors and all powers to act for the Organization are hereby granted to and vested in the Board of Directors, except as otherwise provided in these Bylaws, the Articles of Incorporation, or by the Act. Unless provided otherwise in these Bylaws or by the Act, each Director shall have only one vote, regardless of any officer position that he or she may hold. The Directors shall exercise due diligence consistent with a duty of care that requires them to act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner that they believe is in the best interests of the Organization. Directors shall also exercise their duty of loyalty with respect to the Organization in accordance with the Organization's Conflict of Interest Policy.

3.2 **Specific Powers; Fund Administration; Funding Limitations.** The Board of Directors shall make all decisions as to which eligible recipients receive financial assistance from the Organization, including, the following:

- a. Establish a schedule and detailed procedures for soliciting requests for funding from eligible entities throughout the City and take steps necessary to assure that notice of its schedule and procedures are widely disseminated.
- b. All funding decisions made by the Board shall advance the charitable purposes of the Organization and adhere to certain funding limitations authorized by the Board and set forth in the originating City of Philadelphia Ordinance establishing the Organization, including the following:
 - i. Eligible Activities include program costs associated with activities of entities, organizations, associations, and initiatives operating on a not for profit or nonprofit basis and providing community and recreation programs in the City of Philadelphia. Those programs and activities shall include, but not be limited to, sports, dance, arts and health.
 - ii. Eligible recipients must operate on a not for profit basis but need not be incorporated or have been determined to a section 501(c)(3) charitable organization.
 - iii. Funding shall not be made available to any entity which discriminates illegally in providing programs or services or which conducts its programs in facilities which do, nor shall funding be provided to any agency of the City, state or federal government;

- iv. Capital costs and direct staff costs are not eligible expenses;
 - v. Funding decisions shall be based on need and shall be provided for specific activities or purchases. Fund applicants shall be required to submit a written budget. No entity may receive more than \$9,000 from the Recreation Fund in any fiscal year.
- c. Develop a grant application to be completed by all applicants which shall require, among other information, disclosure of the individuals responsible for operating the program, a description of the activities which the entity sponsors, and the number of individuals serviced by the program;
 - d. Funding decisions of the Board shall include consideration of the recommendations of the members of City Council;
 - e. The Board shall provide an annual report of its activities, including a statement of its funding awards, the number of City residents served, and the types of services or programs provided; and
 - f. Create and enforce a policy of ensuring all grantees are required to execute a contract with the Organization, which contract shall include, among other provisions, a requirement that the recipient account for the use of proceeds.

3.3 **Number.** The Board of Directors shall consist of not less than seven (7) nor more than eleven (11) Directors who shall be natural persons of full age (collectively, the “Board,” “Board of Directors,” or “Directors,” and individually, a “Director”). The number of Directors may be increased or decreased from time to time by a vote of a majority of the Directors then in office. At all times, the Board of Directors shall consist of the following members:

(a) The City of Philadelphia Recreation Commissioner or his or her designee, and the Chairperson of the City Council Committee on Public Health, Human Services and Recreation of the City of Philadelphia are permanent *ex officio* directors;

(b) The Mayor of the City of Philadelphia shall appoint two directors to the Board of Directors of the Corporation;

(c) The President of City Council of the City of Philadelphia shall appoint two directors to the Board of Directors of the Corporation;

(d) No less than one (1) additional Director shall be appointed by the remaining directors.

3.4 **Qualifications.** Directors must have an ability to participate effectively in fulfilling the responsibilities of the Board of Directors. All Directors and Officers of the Organization shall be selected without regard to race, creed, color, gender, or sexual orientation.

3.5 **Term of Office.** With the exception of *Ex Officio* Directors, all directors shall serve a term of two (2) years. Each director shall hold office until a successor shall have been appointed or elected, except in the case of death, resignation, or removal. There is no limit on the number of terms that a Director may be eligible to serve.

3.6 **Resignation of Directors.** A Director may resign at any time by giving written notice to the President or to the Secretary of the Organization. The resignation shall be effective upon receipt by the President or Secretary or at such subsequent time as may be specified in the notice of resignation.

3.7 **Removal of Directors.** Any Director may be removed from the Board, without assigning any cause, by a majority vote of the remaining Directors, even if less than a quorum, at any meeting of the Board, provided that written notice of the intention to consider removal of such Director has been provided to the entire Board at least five (5) days in advance of such meeting. No formal hearing procedure need be followed in order to remove a Director.

3.8 **Vacancies.** Any vacancy in the board of directors because of death, resignation, removal in any manner, disqualification, or any other cause, may be filled by the Mayor of the City of Philadelphia where the Mayor originally appointed the vacated director pursuant to section 3.2(b) of this Article, or by the President of City Council where President of City Council originally appointed the vacated director pursuant to section 3.2 (c) of the Article, or by a majority of the remaining members of the board of directors though less than a quorum, at any regular or special meeting where the directors originally elected the vacated director pursuant to Section 3.2 (d) of this Article; and each person so elected shall be a director to serve for the balance of the unexpired term.

3.9 **Annual Meeting.** An annual meeting of the Board of Directors shall be held each year in April to review operations during the immediately preceding year, elect Directors if necessary, elect officers, and transact such other business as may properly be brought before the meeting. The Directors may resolve to convene this meeting on another date during the year, provided that proper notice is given.

3.10 **Regular Meetings.** Regular meetings of the Board of Directors may be held at such times as the Board may by resolution determine. See Section 6.2 of these Bylaws for the notice requirements. If any day fixed for a regular meeting shall be a legal holiday, then the meeting shall be held at the same hour and place on the next succeeding business day, or at such other time as may be determined by resolution of the Directors.

3.11 **Special Meetings.** Special meetings of the Board of Directors may be called at any time by the President, or upon the written request of at least one-third of the Directors delivered to the Secretary. See Section 6.2 of these Bylaws for the notice requirements. Any such request by the Directors shall state the time and place of the proposed meeting, and upon receipt of such request it shall be the duty of the Secretary to issue the call for such meeting promptly. If the Secretary shall neglect to issue such call, the Directors making the request may issue the call.

3.12 **Place of Meetings.** The meetings of the Board of Directors may be held at such place within the Commonwealth of Pennsylvania or elsewhere as a majority of the Directors may from time to time by resolution determine, or as may be designated in the notice or waiver of notice of a particular meeting.

3.13 **Quorum; Corporate Action.** At all meetings of the Board, a majority of the total number of the Directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Directors present (including participants by telephone or similar communication as provided in Section 12.2 of these Bylaws) at a meeting at which a quorum is present shall be the acts of the Board of Directors, unless a higher threshold is specifically required by the Act, by the Articles of Incorporation, or by these Bylaws.

3.14 **Director Fees.** Each director shall serve without compensation for their services, except for reasonable reimbursement for expenditures.

3.14 **Adjournment.** If a quorum is not present at any meeting of the Board of Directors, or for any other reason, the Directors present at the meeting may adjourn the meeting; no other notice is required to adjourn the meeting. Once an adjourned meeting is resumed, any business may be transacted that could have been transacted at the meeting originally called.

3.15 **Liability.** To the fullest extent permitted by Pennsylvania law, now in effect and as may be amended from time to time, a Director shall not be personally liable for monetary damages for any action taken or any failure to take any action unless:

- (a) the Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of the Act; and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

As expressed in Section 5713(b) of the Act, this Section 3.15 shall not provide liability protection to any Director with regard to his or her violations of any criminal statute, or his or her failure to make payment of taxes pursuant to federal, state, or local law.

Any repeal or amendment of this Section 3.15 shall be prospective only and shall not increase, but may decrease, a Director's liability with respect to actions or failures to act occurring prior to such change.

3.17 **Reimbursement of Expenses.** As provided in Section 12.1 of these Bylaws, Directors may be reimbursed for reasonable expenses they incur to attend Board and Committee meetings, and to perform their other duties as Board members.

3.18 **Loans to Directors.** No loans shall be made by the Organization to any of its Directors.

3.19 **Executive Committee.** If each officer position is held by a separate individual, there shall be an Executive Committee, which shall be comprised of the officers of the Organization. The Executive Committee shall have and exercise the powers and authority of the Board of Directors in the management and business of the Organization, except that neither the Executive Committee, nor any other committee

established by the Board, shall have power or authority as to: (a) the filling of vacancies of the Board of Directors; (b) the adoption, amendment, or repeal of these Bylaws; (c) the amendment or repeal of any resolution of the Board of Directors; (d) action on matters committed by these Bylaws or resolution of the Board of Directors to another committee of the Board; or (e) action on matters pertaining to the acquisition, sale, mortgage, or pledge of real property. Action of the Executive Committee shall be ratified by the Board to the extent possible at its next meeting.

3.20 **Other Committees and Advisory Boards.** As it deems appropriate and desirable, the Board of Directors may establish one or more standing or special committees and designate their function and responsibility. Members appointed to committees need not be Directors, but any committee member who is not a Director may not be a voting member of the committee. Except as otherwise provided in these Bylaws, the Articles of Incorporation, or the Act, any committee may exercise such powers and functions as the Board of Directors may determine from time to time. See Section 3.18 above for limitations on the power and authority of committees. Except as the Board may otherwise determine, the President shall appoint all committee members and committee chairpersons.

3.21 **Committee Reports.** Each committee, including the Executive Committee, shall keep minutes of its proceedings and report the same to the Board at each regular meeting of the Board, or otherwise as requested by the President. The chairperson of each committee shall present the report. If the chairperson of a committee is unable to be present to present the committee report, the chairperson of that committee may designate another member of the committee to present its report. The Board of Directors shall adopt rules of procedure as it deems necessary for the conduct of the affairs of each committee.

ARTICLE IV

OFFICERS

4.1 **Officers.** The officers of the Organization shall be natural persons of at least eighteen (18) years of age, and there shall be a President, [a Vice President,] a Secretary, and a Treasurer, all of whom shall be Directors currently in office and who shall be elected as officers by the Board of Directors. Officer positions may be filled by the same person, but the Organization's preference is that different individuals hold these positions. In addition, as the Board of Directors may determine necessary, there may also be one or more Vice Presidents and/or assistant officers. Holding an officer position does not grant any Director greater voting authority or additional voting privileges.

4.2 **Duties.** The officers shall have and exercise such duties and functions as usually attach to their offices, with such additional duties and functions and subject to such limitations as may be provided in these Bylaws or established by the Board of Directors. Assistant officers shall perform such functions and have such responsibilities as the Board of Directors may determine. Officers shall ensure that the Board is fully informed about the Organization's activities and financial status and that the Board has full and accurate information necessary to make informed decisions about the Organization's operations. The Board of Directors may add to the corporate title of any officer (other than the President) a functional title in word or words descriptive of his or her powers or the general character of his or her duties.

4.3 **Selection, Terms.** The officers of the Organization shall be elected by the Board of Directors at its annual meeting and shall serve for a term of one (1) year. Each officer shall hold office until (a) the later of the expiration of the term for which he or she was elected or his or her successor has been elected and qualified, or (b) until his or her earlier death, resignation, or removal.

4.4 **Resignation of Officers.** Any officer of the Organization may resign at any time by giving written notice to the President or to the Secretary of the Organization. The resignation shall be effective upon receipt by the President or Secretary or at such subsequent time as may be specified in the notice of resignation.

4.5 **Removal of Officers.** Any officer of the Organization may be removed, or his or her authority may be revoked, by resolution of the Board of Directors, whenever in its judgment the best interests of the Organization will be served thereby, but such removal or revocation shall not affect any contract rights the person so removed may have with the Organization.

4.6 **Vacancies.** Any vacancy in any office shall be filled by the Board. The elected officer shall fill the balance of the term to which he/she is elected or appointed.

4.7 **Compensation.** The salaries or compensation, if any, of all officers of the Organization shall be fixed by, or in the manner prescribed by, the Board of Directors, provided that no officer shall be compensated for services unless so authorized by a duly adopted resolution of the Board of Directors, requiring that: (a) such officer may only receive reasonable compensation for services rendered for the

Organization in carrying out its exempt purposes as established by the Board of Directors; and (b) such compensation is (i) consistent with the Organization's financial policies, (ii) does not adversely affect the Organization's qualification as an organization exempt under Section 501(a) and described under Section 501(c)(3) of the Code or give rise to intermediate sanctions under the Code, and (iii) shall be set by a committee composed of persons who have no financial interest in such determination.

4.8 **Loans to Officers.** No loans shall be made by the Organization to any of its officers.

4.9 **Reimbursement of Expenses.** As provided in Section 12.1 of these Bylaws, officers may be reimbursed for reasonable expenses they incur to attend Board and Committee meetings, and to perform their other duties as officers.

4.10 **President; Powers and Duties.** The President shall have general charge and supervision of the business of the Organization and shall exercise or perform all the powers and duties usually incident to the office of the President. The President shall preside at all meetings of the Board of Directors. The President shall from time to time make or cause to be made such reports of the affairs of the Organization as the Board may require. The President shall be responsible to the Board of Directors for the application and implementation of policies adopted by the Board of Directors. Unless otherwise provided by the Board in the resolution creating the committee, the President shall be a voting member of each committee.

4.11 **Vice Presidents; Powers and Duties.** If the Organization has a Vice President, the Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and if there is more than one (1) Vice President, their seniority in performing such duties and exercising such powers shall be determined by the Board of Directors or, in default of such determination, by the order in which they were first elected. Each Vice President also shall have such powers and perform such duties as may be assigned to him or her by the President and the Board of Directors. The Vice President shall ensure that all legal responsibilities of the Organization are met on a timely basis.

4.12 **Secretary; Powers and Duties.** The Secretary shall attend all meetings of the Board and the Executive Committee and record all the votes and meeting minutes in books to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or by the President.

4.13 **Treasurer; Powers and Duties.** The Treasurer shall cause full and accurate accounts of receipts and disbursements to be kept in books belonging to the Organization. He or she shall see to the deposit of all moneys and other valuable effects in the name and to the credit of the Organization in such depository or depositories as may be designated by the Board of Directors, subject to disbursement or disposition upon orders signed in such manner as the Board of Directors shall prescribe. The Treasurer shall render to the President and to the Directors, at the regular meetings of the Board or whenever the President or the Board may require it, an account of all his or her transactions as Treasurer and of the results of operations and the financial condition of the Organization. He or she shall see that an annual audit or independent review of the Organization's books and records is performed by an auditor selected by the Board in compliance with the requirements of the Commonwealth of Pennsylvania and any other

jurisdiction in which the Organization is doing business. The Treasurer shall oversee the investments for the growth of the Organization.

If required by the Board, the Treasurer shall give the Organization a bond in such sum and with such surety or sureties as may be satisfactory to the Board for the faithful discharge of the duties of his or her office, and for the restoration to the Organization, in case of his or her death, resignation, retirement or removal from office, of all books, records, money and other property of whatever kind in his or her possession or under his or her control belonging to the Organization.

4.14 **Delegation of Officers' Duties.** Any officer may delegate duties to his or her duly elected or appointed assistant (if any); and in case of the absence of any officer or assistant officer of the Organization, or for any other reason that the Board of Directors may deem sufficient, the Board may delegate or authorize the delegation of his or her powers or duties, for the time being, to any person.

4.15 **Executive Director.** An Executive Director may be appointed by the Board of Directors. The Executive Director shall be accountable to the Board of Directors and subject to the direction of the President and shall perform the duties and functions as may be prescribed from time to time by the Board of Directors. The Executive Director shall prepare, from time to time, but at least once each calendar quarter, a report of the operations of the programs, committees, fundraising and other financial matters and of the general operations of the Organization for presentation to the Board of Directors. The Executive Director shall not be a Director or officer of the Organization.

ARTICLE V

FINANCIAL AND CONTRACTUAL TRANSACTIONS

5.1 **Contracts.** The President may execute in the name of the Organization, deeds, mortgages, bonds, contracts, and other instruments as authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Organization. Any such signed documents shall be attested by the Secretary or the Treasurer or an Assistant Secretary or Assistant Treasurer.

5.2 **Real Estate.** Notwithstanding anything to the contrary in the Act or in these Bylaws, any decision to acquire, sell, mortgage, or pledge real property shall require at minimum the approval of two-thirds of the Board of Directors.

5.3 **Loans.** The Organization shall not lend or borrow funds unless authorized by resolution of the Board of Directors. Such authorization may be general or confined to specific instances. All loan documents and documents of indebtedness issued in the name of the Organization shall be signed by two or more officers of the Organization, or its officers' agents, as the Board of Directors may designate, and in such manner as determined by the Board of Directors.

5.4 **Checks, Charges, Etc.** All checks, notes, drafts, or other orders for the payment of money and documents of indebtedness issued in the name of the Organization shall be signed by two Directors or Officers or the Directors' or Officers' agents, as the Board of Directors may from time to time designate, and in such manner as determined by the Board of Directors.

5.5 **Deposits.** All payments to the Organization shall be deposited in one or more banks or other depository accounts established and maintained in the Organization's name and Employer Identification Number ("EIN").

ARTICLE VI

NOTICES

6.1 **Form of Notice.** Whenever written notice is required or permitted, by these Bylaws or otherwise, to be given to any person or entity, it may be given either personally or by sending a copy to the address or other contact information of the appropriate person or entity as it appears in the Organization's records. Such notice may be sent (a) electronically; (b) by first class mail (postage prepaid) or by overnight express delivery service (charges prepaid), or (c) by facsimile. If the notice is sent by mail or overnight express delivery, it shall be deemed to have been given when deposited in the United States Mail or delivered to the overnight express delivery service. If the notice is sent by any other form prescribed above, it shall be deemed to have been given when sent.

6.2 **Notice of Meetings.** Written notice of every meeting of the Board of Directors shall be given to each Director at least five (5) days prior to the day designated for the meeting. Such notice shall specify the place, day, and hour of the meeting, and in the case of a special meeting of the Board, the general nature of the business to be transacted. Whenever the language of a proposed resolution is included in the written notice of a meeting, the Directors at the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as long as the clarifications or other amendments do not enlarge its original purpose so as to require further notice to persons not present in person at the meeting.

6.3 **Waiver of Notice.** Whenever a written notice is required by these Bylaws or under the provisions of the Act, any person or persons (or entity or entities) entitled to receive the notice may waive in writing the right to receive notice. The written waiver may be signed before or after the time required for such notice. Except in the case of a special meeting of the Board of Directors or as otherwise required by the Act, neither the business to be transacted nor the purpose of the meeting need be specified in the waiver of notice of such meeting. Attendance by any person in person at any meeting shall constitute waiver of notice of such meeting, unless the person (or entity representative) attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not called or convened upon proper notice.

ARTICLE VII

DISSOLUTION

7.1 **Dissolution.** In the event of dissolution or winding-up of the Organization, the Organization's assets, after all debts and expenses have been paid or provided for, shall be distributed in accordance with the terms stated in the Organization's Articles of Incorporation.

ARTICLE VIII

INDEMNIFICATION AND INSURANCE

8.1 **Representative Defined.** For purposes of this Article, "representative" means any Director, officer or employee of the Organization.

8.2 **Third-Party Actions.** The Organization shall indemnify any representative who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Organization), by reason of the fact that he or she is or was a representative of the Organization, or is or was serving at the request of the Organization as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Organization and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Organization and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

8.3 **Derivative and Corporate Actions.** The Organization shall indemnify any representative who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Organization to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Organization, or is or was serving at the request of the Organization as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of the action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Organization. Indemnification shall not be made under this Section in respect of any claim, issue or

matter as to which the person has been adjudged to be liable to the Organization unless and only to the extent that the court of common pleas of the judicial district embracing the county in which the registered office of the Organization is located or the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court of common pleas or other court shall deem proper.

8.4 **Procedure for Effecting Indemnification.** Unless ordered by a court, any indemnification under Section 8.2 or Section 8.3 shall be made by the Organization only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in those Sections. The determination shall be made:

- (a) by the Board by a majority vote of a quorum consisting of Directors who were not parties to the action or proceeding; or
- (b) if such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

8.5 **Advancing Expenses.** The Organization shall pay expenses (including attorneys' fees) incurred in defending any action or proceeding referred to in Section 8.2 in advance of the final disposition of the action or proceeding upon receipt of any undertaking by or on behalf of the representative to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the Organization as authorized in this Article or otherwise.

8.6 **Supplementary Coverage.** The indemnification and advancement of expenses provided by or granted pursuant to this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Act, or any agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office. Article 10 (relating to conflicts of interest) shall be applicable to any bylaw, contract, or transaction authorized by the Directors under this Section 8.6. However, no indemnification may be made by the Organization under this Article 8 or otherwise to or on behalf of any person to the extent that:

- (a) The act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted self-dealing, willful misconduct, or recklessness; or
- (b) The Board determines that under the circumstances indemnification would constitute an excess benefit transaction under Section 4958 of the Code or an act of self-dealing under Section 4941 of the Code, if applicable.

8.7 **Duration and Extent of Coverage.** The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified,

continue as to a person who has ceased to be a representative of the Organization and shall inure to the benefit of the heirs and personal representatives of that person.

8.8 **Reliance and Modification.** Each person who shall act as a representative of the Organization shall be deemed to be doing so in reliance upon the rights provided by this Article. The duties of the Organization to indemnify and to advance expenses to a representative provided in this Article shall be in the nature of a contract between the Organization and the representative. No amendment or repeal of any provision of this Article shall alter, to the detriment of the representative, his or her right to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment or repeal.

8.9 **Insurance.** The Organization shall purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Organization or is or was serving at the request of the Organization as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Organization would have the power to indemnify him or her against that liability under the Act. The Organization's payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Organization. To the extent that such insurance coverage provides a benefit to the insured person, the Organization's payment of premiums with respect to such insurance shall be provided in exchange for the services rendered by the insured person and in a manner so as not to constitute an excess benefit transaction under Section 4958 of the Code or an act of self-dealing under Section 4941 of the Code, if applicable.

ARTICLE X

CONFLICT OF INTEREST POLICY

10.1 **Adoption of Policy.** The Organization shall separately adopt a conflict of interest policy and distribute annual disclosure forms for the purpose of screening conflicts. It is the policy of the Organization that no contract or transaction between the Organization and one or more of its Directors or officers, or between the Organization and any "interested entity" shall be authorized or entered into unless the material facts as to the interest and as to the contract or transaction are disclosed or are known to the Board of Directors, and the Board in good faith authorizes the contract or transaction by an affirmative vote of a majority of the Directors other than the interested Director(s) of the Organization and the contract or transaction is in the interests of the Organization. An "interested entity" includes any entity (a) in which one or more of the Directors or officers of the Organization (i) are directors or officers, or (ii) have a financial interest; or (b) in which any Director or officer of the Organization has any other conflict of interest. Any interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes the contract or transaction.

ARTICLE XI

BOOKS AND RECORDS

11.1 **Bookkeeping; Recordkeeping.** The Organization shall keep (i) complete and accurate financial books and records; (ii) minutes of all meetings of the Board and of any committees; (iii) the original or a copy of its Articles of Incorporation (and any amendments thereto) and Bylaws, including all amendments thereto, certified by the Secretary; (iv) a list of the names and contact information of its current Directors and officers; (v) a copy of the Organization's IRS Form 1023; and (vi) all reports delivered to state and federal officials for the last seven years. Originals or duplicates of such books and records shall be kept at either the registered office of the Organization, the principal place of business of the Organization, and/or at such other reasonably accessible place as the Secretary may determine. The Organization shall separately adopt a document retention policy.

11.2 **Transparency.** The Organization shall ensure that its audited financial statements, annual federal tax reports, and other annual reports are complete and accurate, and to the extent required by law and in accordance with the procedures established by law, are posted to the Organization's website or otherwise made available to the public upon request. Additionally, the Board shall provide and publish an annual report of its activities, including a statement of its funding awards, the number of City residents served and the types of services or programs receiving awards.

ARTICLE XII

GENERAL PROVISIONS

12.1 **Reimbursement of Expenses.** Directors and other individuals serving the Organization may be reimbursed for reasonable expenses they incur to perform their duties, provided that such reimbursement does not adversely affect the Organization's qualification as an organization exempt under Section 501(a) and described under Section 501(c)(3) of the Code or give rise to intermediate sanctions under Section 4958 of the Code. Expense reimbursements shall be made in accordance with procedures established by the Organization.

12.2 **Use of Conference Telephone and Similar Equipment.** To the fullest extent permitted by the Act, one (1) or more persons may participate in a meeting of the Board, or a committee or any other body of the Organization, by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 12.2 shall constitute presence in person at the meeting.

12.3 **Action by Directors in Lieu of a Meeting.** Unless otherwise restricted by the Articles of Incorporation, or by the Act, any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if all members of the Board or

committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the Secretary of the Organization.

ARTICLE XIII

AMENDMENT OF BYLAWS

13.1 **Amendments.** Any changes to these Bylaws may be made by a two-thirds vote of the Board of Directors at any meeting of the Board duly convened after notice to the Directors for that purpose or by the unanimous written consent of all Directors without a meeting.

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