

County Council of Howard County, Maryland

2013 Legislative Session

Legislative Day No. 1

Resolution No. 9 - 2013

Introduced by: Chairperson at the request of the Downtown Columbia Partnership, Inc.

A RESOLUTION approving the bylaws and code of ethics of the Downtown Columbia Partnership.

Introduced and read first time _____, 2013.

By order _____
Stephen LeGendre, Administrator

Read for a second time at a public hearing on _____, 2013.

By order _____
Stephen LeGendre, Administrator

This Resolution was read the third time and was Adopted___, Adopted with amendments___, Failed___, Withdrawn___, by the County Council on _____, 2013.

Certified By _____
Stephen LeGendre, Administrator

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 **WHEREAS**, Section 28-106 of the Howard County Code requires the Board of Directors
2 of the Downtown Columbia Partnership to adopt bylaws and submit the bylaws to the County
3 Council for approval; and

4
5 **WHEREAS**, Section 28-106 also authorizes the County Council to approve the bylaws
6 with or without amendments; and

7
8 **WHEREAS**, The County Council has received from the Board of Directors of the
9 Downtown Columbia Partnership a copy of the bylaws and a copy of the Downtown Columbia
10 Partnership’s code of ethics, which are incorporated by reference into the bylaws; and

11
12 **WHEREAS**, The County Council finds that the bylaws and code of ethics meet the
13 requirements of Section 28-106 of the Howard County Code and are satisfactory in all other
14 respects;

15
16 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
17 Maryland this _____ day of _____, 2013, that it approves the bylaws and code of
18 ethics of the Downtown Columbia Partnership as attached to this Resolution.

**BYLAWS
OF
THE DOWNTOWN COLUMBIA PARTNERSHIP, INC.**

**ARTICLE I
CREATION AND PURPOSE**

SECTION 1.1 **Corporation Established.** The Downtown Columbia Partnership, Inc. (the “Corporation”) is established under the provisions of the Maryland General Corporation Law and Title 28 of the Howard County Code (the “County Code”) attached hereto as Exhibit A. The Corporation is also a public instrumentality of the Howard County, Maryland (the “County”) and is the commercial district management authority for Downtown Columbia.

SECTION 1.2 **Purposes.** The specific purposes for which the Corporation is organized, as specified in the County Code, include, but are not limited to: (i) marketing the Downtown Columbia Management District (the “District”) as a vibrant, economically robust and desirable place to live, work and play; (ii) beautifying the District and maintaining open spaces and amenity areas; (iii) providing amenities including, but not limited to, transit, security and affordable housing and housing assistance; (iv) promoting and implementing initiatives to improve traffic conditions, bicycle and pedestrian movement, and public transportation in the District and other transportation initiatives; (v) facilitating the implementation of the community framework for environmental sustainability in accordance with the environmental sustainability program as described in the Downtown Columbia Plan; and (vi) promoting public safety and providing security patrols within the District.

SECTION 1.3 **Principal Office.** The principal officer of the Corporation shall be located at 10275 Little Patuxent Parkway, Columbia, Maryland 21044.

SECTION 1.4 **Definitions.** Capitalized terms shall have the meaning assigned to such terms in the County Code unless expressly modified herein.

SECTION 1.5 **County Code.** The Corporation is subject to all requirement and limitations set forth in the County Code, notwithstanding omission of the requirement or limitation from these Bylaws. In the case of a conflict between the County Code and these Bylaws, the County Code shall control the business and affairs of the Corporation.

**ARTICLE II
BOARD OF DIRECTORS**

SECTION 2.1. **Powers.** The business and affairs of the Corporation shall be managed by its Board of Directors (the “Board”) except as otherwise provided in the County Code, the Articles of Incorporation, or these Bylaws.

SECTION 2.2 **Qualifications.** Directorships shall not be denied to any person on the basis of race, creed, sex, sexual orientation, religion or national origin. Each director of the corporation shall reside or

work in Howard County, Maryland and have knowledge, training or experience related to the responsibilities of the Corporation. Employees of the Corporation are ineligible to serve on the Board.

SECTION 2.3. Number of Directors.

- (a) The Board will consist of seven (7) directors as provided in the County Code.
- (b) The following persons or their designees shall be ex officio directors (the “Ex Officio Directors”):
 - (i) the highest ranking officer of The Howard Hughes Corporation (“HHC”) responsible for Downtown Columbia and the initial operating funding of the Corporation;
 - (ii) the general manager of the Mall in Columbia;
 - (iii) the President of the Columbia Association; and
 - (iv) the County Executive.
- (c) The three additional directors shall be as follows:
 - (i) until 500,000 square feet of gross leasable area of new commercial uses are developed in Downtown Columbia, three (3) representatives from HHC shall serve as directors; and
 - (ii) upon the development of 500,001 square feet of gross leasable area in Downtown Columbia, the directors selected by HHC pursuant to Section 2.3(c)(i) shall resign and:
 - A. one (1) director shall represent the membership required by CEPPA 25 of the Downtown Columbia Plan; and
 - B. two (2) directors shall be appointed by the County Executive, confirmed by the Howard County Council, and shall: (1) own or operate a business in the District; (2) own commercial property located in the District; or (3) reside in or in close proximity to the District.
- (d) Except for HHC, if a private entity declines to have a representative serve as an Ex Officio Director, a replacement shall be appointed by the County Executive and confirmed by the County Council.

SECTION 2.4. Term of Directors. One initial director appointed pursuant to Section 2.3(c)(ii)(B) shall serve a term of one (1) year and the other initial director appointed pursuant to that section shall serve a term of two (2) years. Each subsequent director appointed pursuant to Sections 2.3(c)(B) and director appointed pursuant to Section 2.3(d) (collectively, “Appointed Directors”) shall serve terms of three (3) years. An Appointed Director may succeed himself or herself for only two (2) consecutive terms. After serving two (2) consecutive terms, an Appointed Director must vacate his or her position for at least one (1) year before seeking re-election to another term. There is no limit on the total number of terms that an Appointed Director may serve. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election or appointment). Appointed Directors whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen.

SECTION 2.6. Resignation. Any director may resign at any time by delivering written notice to the Secretary or Board. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

SECTION 2.7. Removal.

(a) Any director may be removed for violating Article VI of these Bylaws, by a majority of the entire Board, at a regular or special meeting called for that purpose. Any director under consideration of removal under this Section 2.7(b) must first be notified about the consideration by written notice at least five (5) days prior to the meeting at which the vote takes place.

(b) An Appointed Director may be removed for any reason by:

- (i) the County Executive, subject to the approval of the Howard County Council; or
- (ii) the Howard County Council, subject to the approval of the County Executive.

(c) An Appointed Director who is absent for three (3) consecutive regular meetings of the Board, unless excused by vote of the Board, shall be deemed to have resigned.

SECTION 2.8. Vacancies. Vacancies occurring in the Board for any reason (Except for vacancies caused by resignation of the HHC directors pursuant to Section 2.3(c)(ii) of these Bylaws) shall be filled in the same manner as the predecessor director shall have been elected or appointed. The director filling the vacancy shall serve for the remainder of the term of the directorship that was vacated. Vacancies shall be filled as soon as practical.

SECTION 2.9. Compensation. Directors shall not receive any salaries or other compensation for their services, but by resolution of the Board, may be reimbursed for any actual expenses incurred in the performance of the their duties for the Corporation, as long as a majority of disinterested directors

approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any director.

SECTION 2.10. **Chairman of Board.** There may be a Chairman of the Board of Directors (the “Chairman”) elected by the directors from their number at any meeting of the Board. The Chairman shall perform any duties as may be directed by the Board.

ARTICLE III **BOARD MEETINGS**

SECTION 3.1 **Places of Meetings.** Meetings of the Board shall be held at a place specified by resolution of the Board or in the notice of meeting. If feasible, meeting of the Board shall be held in the County.

SECTION 3.2 **Regular Meetings.** Regular meeting of the Board shall be held at such times and places as the Board shall from time to time by resolution determine; provided, that the Board meets not less than six (6) times annually.

SECTION 3.3 **Special Meetings.** Special meetings of the Board shall be held whenever called three (3) or more directors.

SECTION 3.4 **Notice of Meetings.** Notice of the time and place of each regular and special meeting of the Board shall be given in writing to each director as soon as practicable after the Board has fixed the time and place of the next meeting. Notwithstanding the foregoing, directors shall be given notice at least five (5) days in advance of each regular and special meeting.

SECTION 3.5 **Waiver of Notice.** Attendance by a director at any meeting of the Board for which the director did not receive the required notice will constitute a waiver of notice of such meeting unless the director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

SECTION 3.6 **Meeting by Conference Telephone.** Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 3.7 **Quorum and Notice.** Six (6) directors shall constitute a quorum for the purposes of convening a meeting or conducting business. Except as provided in Article VI of these Bylaws, each director shall have one vote. At Board meetings where a quorum is present, a majority vote of the directors attending shall constitute an act of the Board unless a greater number is required by the County Code or these Bylaws.

SECTION 3.8 **Action by Unanimous Written Consent.** Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all the directors consent thereto in writing

(which may be provided by electronic transmission), and such writing or writings are filed with the minutes of proceedings of the Board.

SECTION 3.9 Downtown Columbia Partnership Advisory Committee. During every meeting of the Board, a representative of the Downtown Columbia Partnership Advisory Committee shall be provided with an opportunity to comment on all matters pending before the Board.

SECTION 3.10 Open Meetings. All Board meeting shall be conducted in accordance with the Open Meetings Act (Title 10, Subtitle 5 of the State Government Articles, Annotated Code of Maryland). Meetings covered by the Open Meetings Act may be closed for reasons specified in such Act. When a meeting is not covered by the Open Meetings Act, the Board may meet in a closed session or adjourn an open session to a closed session, by a majority vote.

SECTION 3.11 Procedure. The proceedings and business of the Board shall be governed by Robert's Rules of Parliamentary Procedure.

ARTICLE IV **COMMITTEES**

SECTION 4.1 Downtown Columbia Partnership Advisory Committee.

- (a) Downtown Columbia Partnership Advisory Committee.
 - (i) There is a Downtown Columbia Partnership Advisory Committee.
 - (ii) The Downtown Columbia Partnership Advisory Committee shall have 11 Members. Six Members shall be Ex Officio Members and five Members shall be selected by the County Council as set forth in Subsection (A) (2) (II) of this Section.
 - (A) The following persons or their designees are Ex Officio Members of the Downtown Columbia Partnership Advisory Committee:
 1. the President of Howard Community College;
 2. the Chief Executive Officer of Howard County General Hospital;
 3. the Chief Executive Officer of Howard County Economic Development Authority;
 4. the Chairperson of Howard County Revenue Authority;
 5. the President of the Howard County Chamber of Commerce; and

6. the Chair of the Town Center Village Board.

(B) To serve as Members of the Downtown Columbia Partnership Advisory Committee, the County Council shall select the following additional members:

1. two individuals from a list of four residents living in or in close proximity to the District submitted by the County Executive;
2. one Owner or General Manager of a business located within the District having fewer than 25 employees;
3. one Owner of property located in the District who has obtained a building permit for downtown revitalization pursuant to Section 125 of the Howard County Zoning Regulations; and
4. one individual representing the Membership required by Ceppa 25 of the Downtown Columbia Plan.

(b) Committee Members selected pursuant to Section 4.1(ii)(B) of these Bylaws shall serve for a period of two years. The County Council may reappoint committee members.

(c) The Downtown Columbia Partnership Advisory Committee shall advise the Board of Directors of the Downtown Columbia Partnership on all matters concerning the management and operation of the Downtown Columbia Partnership. By April 1st of each year, the Committee shall advise the County Council on the Partnership's previous calendar year's activities.

(d) Members of the Downtown Columbia Partnership Advisory Committee shall serve without compensation.

(e) Advisory Committee Members shall be given the same notice of the place, day, and time of Board meetings provided to Members of the Board of Directors pursuant to the Partnership's Bylaws.

(f) During every meeting of the Board of Directors, a representative of the Downtown Columbia Partnership Advisory Committee shall be provided with an opportunity to comment on all matters pending before the Board.

(g) The books and records of the Downtown Columbia Partnership are subject to examination and inspection at any reasonable time by the Downtown Columbia Partnership Advisory Committee.

SECTION 4.2 Additional Advisory Committees.

(a) Additional Advisory Committees.

- (i) The Board of Directors may create additional advisory committees.
 - (ii) The Board of Directors shall determine the number of members of each Additional Advisory Committee.
- (b) The Board of Directors shall appoint members to Additional Advisory Committees.
- (i) A Member of the Board of Directors may be appointed to an Additional Advisory Committee.
 - (ii) The Board of Directors shall designate the Chairperson of an Additional Advisory Committee.
- (c) The Board of Directors shall set the term of each Member of an Additional Advisory Committee.
- (d) The Members of an Additional Advisory Committee shall serve without compensation.
- (e) An Additional Advisory Committee shall advise the Board of Directors on the matters specified by the Board of Directors.

SECTION 4.3 Places of Meetings. Committee meetings shall be held at a place specified by the Chair of each committee. If feasible, committee meetings shall be held in the County.

SECTION 4.4 Notice of Meetings. Notice of the time and place of each committee meeting shall be given in writing to each committee member as soon as is practicable after the committee chair has fixed the time and place of the next meeting.

SECTION 4.5 Meeting by Conference Telephone. Committee members may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 4.6 Quorum and Voting. A majority of the members of a committee shall constitute a quorum for the purposes of convening a meeting or conducting business. Each committee member shall have one vote. At committee meetings where a quorum is present, a majority vote of the members attending shall constitute an act of the committee.

SECTION 4.7 Procedure. Each committee shall designate a Chair and fix rules of procedure for the transaction of business.

SECTION 4.8 Open Meetings. All committee meetings shall be conducted in accordance with Section 3.10 of these Bylaws.

ARTICLE V
OFFICERS

SECTION 5.1 **Officers.** The officers of the Company (the “Officers”) shall be appointed by the directors and shall be an Executive Director, a Vice President (which includes any Executive Vice President, Senior Vice President or any variation thereof for all purposes of these Bylaws), a Secretary and a Treasurer. The Directors also may appoint a Chairman, additional Vice Presidents, one or more Assistant Secretaries and Assistant Treasurers, and such other Officers as it shall deem necessary or desirable. The Officers of the Company shall hold office until their successors are elected and qualified, or until they resign or are removed. Each Officer shall perform such duties as may be prescribed by the directors or specified in these Bylaws, subject to the limitations set forth in the County Code.

SECTION 5.2 **Executive Director.** Subject to such supervisory powers as are vested in the Board, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board or by these Bylaws. The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the County Code and these Bylaws. The Executive Director shall generally be expected to attend all meetings of the Board. The Executive Director may not be a member of the Board. As it considers appropriate and with the consent of HHC, the Board may designate a qualified employee of HHC as the Executive Director until the issuance of a building permit for the 500,000th square foot of gross leasable area of new commercial uses. If a qualified employee of HHC is designated as the Executive Director, such Executive Director shall not be compensated by the Corporation until the issuance of a building permit for the 500,000th square foot of gross leasable area of new commercial uses. Upon the issuance of a building permit for the 500,000th square foot of gross leasable area of new commercial uses, and thereafter, the Corporation shall pay the Executive Director an annual salary set by the Board.

SECTION 5.3 **Vice President.** In the absence of the Executive Director or in the event of his or her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the Executive Director, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Executive Director. The Vice President shall perform such other duties as may be prescribed by the directors or the Executive Director, under whose supervision he or she shall serve.

SECTION 5.4 **Secretary.** The Secretary shall attend all meetings of the Board and any committees and record all the proceedings of such meetings in a book to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the directors and shall perform such other duties as may be prescribed by the directors from time to time.

SECTION 5.5 **Treasurer.** The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of 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 directors. The Treasurer shall disburse

the funds of the Company as may be ordered by the directors, taking proper vouchers for such disbursements, and shall render to the Executive Director and the directors, at its regular meetings, or when the directors so require, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform, in general, all the duties incident to the office of the Treasurer and such other duties as may be prescribed by the directors from time to time. If required by the directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the directors for the faithful performance of the duties of the Office of the Treasurer and for the restoration to the directors, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

SECTION 5.6 Resignations. Any Officer may resign at any time by giving written notice to the Board.

SECTION 5.7 Removal. Any Officer may be removed, with or without cause, at any time by the Board.

ARTICLE VI **CODE OF ETHICS**

The Corporation and its directors, Officers and employees shall comply with the Corporation's Code of Ethics attached hereto as Exhibit B.

ARTICLE VII **INDEMNIFICATION**

SECTION 7.1 Insurance. The Corporation shall provide indemnification insurance for its directors and Officers and the Board shall select the amount and limits of such insurance policy.

SECTION 7.2 Indemnification. To the extent permitted by law, any person (and heirs, executors and administrators of such person) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was a director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursement, incurred by him or her (or by his or her heirs, executors or administrators) in connection with the defense or settlement of such action, suit or proceeding, or in connection with any appearance therein.

SECTION 7.3 Limits on Indemnification; Local Government Tort Claims Act.

- (a) Notwithstanding the above, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that his conduct was in the Corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that his or her conduct was unlawful.

(b) As a commercial district management authority, the Corporation is a “Local Government” as that phrase is used in the Local Government Tort Claims Act (Title 5, Subtitle 3 of the Courts and Judicial Proceedings Article, Annotated Code of Maryland). The Corporation is the real party in interest under the Maryland Rules of Procedure and for purposes of the Local Government Tort Claims Act. The County Solicitor shall be notified of any legal action brought by or against the Corporation.

SECTION 7.4 County Not Liable. The County is not liable in contract or tort for acts or omissions of the County or its agents and employees. Each contract executed by the County shall so provide that the County is not liable as provided in Section 28.122 of the County Code.

ARTICLE VIII **OPERATIONS**

SECTION 8.1 Execution of Documents. Unless specifically authorized by the Board or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the Executive Director (or such other person designated by the Board), pursuant to the general authorization of the Board. Executed copies of all final contracts, deeds, conveyance, leases, promissory notes or legal written instruments shall be provided to the County Solicitor.

SECTION 8.2 Budget Approval.

(a) The annual operating budget of the Corporation for the following fiscal year (the “Annual Operating Budget”) shall be approved by a majority of the directors prior to December 1st of each year.

(b) The Board shall submit the Corporation’s approved Annual Operating Budget to the County Executive, the Howard County Council and HHC prior to December 1st of each year.

SECTION 8.3 Duties. The Corporation shall perform the duties and fulfill the purposes set forth in Section 28.107 of the County Code and Section 1.2 of these Bylaws.

SECTION 8.4 Limitations. The Corporation may not: (1) condemn property or exercise any power of eminent domain; (2) issue bonds; (3) pledge the faith or credit of the County; (4) exercise any police or general governmental powers; (5) except as provided in Section 28.112(A) of the County Code, purchase, sell, or construct or, as a landlord, lease office or retail space; (6) compete with the private sector except as authorized in the County Code; or (7) sue the County or its employees and officials.

SECTION 8.5 Coordination with County Units. When addressing an issue within an area subject to County Government oversight, the Corporation shall coordinate with the appropriate unit of County Government.

SECTION 8.6 Records and Minutes. The Corporation shall keep records consistent with sound business practices and keep accounting records using generally accepted accounting principles. The Corporation shall also keep minutes of the proceedings of each Board and committee meeting in accordance with the requirements of the Open Meetings Act. The Corporation will keep at its principal place of business the original or a copy of these Bylaws, including amendments to date certified by the Secretary of the Corporation.

SECTION 8.7 Inspection of Books and Records. All books and records of the Corporation may be inspected by any director or member of the Downtown Columbia Partnership Advisory Committee for any purpose at any reasonable time on written demand.

SECTION 8.8 Loans to Management. The Corporation shall not make any loans to any of its directors or Officers.

SECTION 8.9 Amendments. These Bylaws may amended at any time by a vote of the majority of directors at a meeting where a quorum is present. In order to be effective, amendments to the Bylaws must be submitted to the Howard County Council for approval as provided by Section 28.106 of the County Code.

SECTION 8.10 Fiscal Year. The fiscal year for the Corporation will be January 1st to December 31st.

SECTION 8.11 Public Information Act. The Corporation shall provide access to its records and documents in the same manner that a political subdivision is required to provide access to records under the Maryland Public Information Act (Title 10, Subtitle 6 of the State Government Article, Annotated Code of Maryland).

SECTION 8.12 Reports. By April 1 of each year, the Corporation shall send the County Executive and the County Council an annual report including: (1) the activities of the Corporation for the previous calendar year; (2) the results of an annual independent audit conducted by a certified public accountant, including copy of any management letter; (3) the efforts of the Corporation to include minorities and local businesses when procuring goods and services; (4) recommendations for the improvement and advancement of the District; and (5) information about any determination of income levels under Section 28.116(A)(2) of the County Code.

SECTION 8.13 County Audits. The books and records of the Corporation are subject to audit, examination, and inspection at any reasonable time by the County Executive or the County Council or their designees. In addition to any financial audit, the County may conduct performance or management audits of the Corporation.

[Remainder of Page Intentionally Left Blank; Signature Page To Follow]

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Board of the Corporation on **[Insert Date]**.

Peter F. Riley
Secretary

EXHIBIT A
COUNTY CODE

(See Attached.)

EXHIBIT B
CODE OF ETHICS

(See Attached.)

**CODE OF ETHICS
OF
THE DOWNTOWN COLUMBIA CORPORATION**

**SECTION I
PURPOSE**

It is imperative to the success of The Downtown Columbia Corporation (the "Corporation") that there be a fully informed and responsive Board of Directors (the "Board"). To accomplish this end, all directors, officers and employees shall conduct themselves at all times in the best interest of the Corporation. In this regard, each director, officer and employee shall abide by the following "Code of Ethics". While no code or set of rules can be framed which will particularize all the duties of a director, officer or employee, the following shall serve as a general guide.

**SECTION II
CONFLICT OF INTEREST**

For the purposes of this Section II, a member, director, officer, trustee or committee member of this Corporation (each an "Interested Person") shall be deemed to have a "conflict of interest" in a contract if such person is the party, one of the parties or directly related to a party contracting with the Corporation, or is a member, director, officer, trustee or has a material financial interest or influence in, the entity contracting with the Corporation. For purposes of this Section I, the term "financial interest" means (1) ownership of any interest as the result of which the owner has received, within the past three years, or is presently receiving, or in the future is entitled to receive, more than \$1000.00 per year; or (2) ownership, or the ownership of securities of any kind representing or convertible into ownership, of more than 3 percent of a business entity. Further, for purposes of this Section I, the term "directly related" means a spouse, parent, child, brother or sister.

Any Interested Person having a conflict of interest in a contract presented to the Board for authorization, approval, or ratification shall make a prompt, full and frank disclosure of such person's interest to the Board prior to its acting on such contract. Such disclosure shall include any relevant and material facts known to such Interested Person about the contract that might reasonably be construed to be adverse to the Corporation's best interest. The Board shall thereupon determine whether the disclosure demonstrates that a conflict of interest in a contract exists or can be reasonably construed to exist. If a conflict is deemed to exist, such Interested Person shall not vote with respect to such contract. Interested Persons may be counted in determining the presence of a quorum at a meeting of the Board or committee, which authorizes such contract.

The Board shall approve only those contracts in which the terms are fair and reasonable to the Corporation and the arrangements are consistent with the best interests of the Corporation. Fairness includes, but is not limited to, the concepts that the Corporation should pay no more than fair market value for any goods or services which the Corporation receives and that the Corporation should receive fair market value consideration for any goods or services that it furnishes others. Any Interested Person disqualified from voting on contract shall be allowed to present factual information and to respond to questions as to the fairness and reasonableness of the contract in question.

Notwithstanding anything contained in this Section II, any Interested Person's relationship with any party contracting with or otherwise dealing with the Corporation shall have no bearing or affect on the Board's determination of the Corporation's Budget and any Budget related matters and such

relationships will not preclude or disqualify such Interested Person from voting on the Budget or any Budget related matters.

The minutes of the meeting shall reflect the disclosure made, the vote thereon, the basis for the Board's decision with respect to the approval of any contracts involving conflicts of interest and, where applicable, the abstention from voting and participation, and whether a quorum was present.

No contract between this Corporation and an Interested Person shall be either void or voidable for this reason alone or by reason alone that such Interested Person is present at the meeting of the Board, or of a committee thereof, which authorizes such contract, or that such Interested Person's vote is counted for such purpose, if the material facts as to such Interested Person's interests in such contract are disclosed in good faith or known to the Board or committee, and the Board or committee authorizes such contract by a vote sufficient for such purpose without counting the vote or votes of such Interested Person.

If the Board or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest in a contract, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest in a contract, it shall take appropriate disciplinary and corrective action, which may include removal of the person as a member, director, officer, trustee or committee member of the Corporation or termination of the person's employment.

SECTION III SELF-DEALING

The Corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1986, as amended, and The Treasury Regulations, or the corresponding section of any future federal tax code or issued Treasury Regulations. If a transaction, agreement or other relationship should arise which might be an act of self-dealing, then the disinterested directors shall determine if the situation is or is not an act of self-dealing. If the disinterested directors determine that the transaction, agreement or other relations is an act of self-dealing, then the Corporation shall not complete or consummate the transaction, agreement or relationship.

SECTION IV ADDITIONAL PROVISIONS

Attendance. Each director shall put forth their best effort to attend all meetings and constructively participate in the meetings.

Information. Each director shall be responsible for insuring that adequate and correct information is presented to their constituents and the public.

Confidentiality. Each director, officer and employee shall exercise good judgment in the control and use of confidential information that may from time to time come into their possession. No director, officer or employee shall use confidential information gained by reason of being director, officer or employee for personal gain to the detriment of the Corporation.

Annual Statement. Each director, officer and employee shall annually sign a statement which affirms that such person:

1. has received a copy of the Code of Ethics;
2. has read and understands the policy;
3. has agreed to comply with the policy; and
- a. understands that the Corporation is a non-profit and that to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.