

ARTICLE VIII
INDEMNIFICATION

The Corporation may, to the fullest extent now or hereafter permitted by and in accordance with the standards and procedures provided for by sections 721 through 726 of the Not-for-Profit Corporation Law and any amendments thereto, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that the person or the person's testator or intestate was a director, officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees.

ARTICLE IX
AMENDMENTS

These bylaws may be amended or repealed by the affirmative vote of two-thirds of the entire Board at any meeting of the Board of Directors, upon prior notice of intent to amend or repeal said bylaws.

ARTICLE X
CONFLICTS OF INTEREST, CONTRACTS
AND SERVICES OF DIRECTORS AND OFFICERS

The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's interest 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. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Corporations.

Section 1. **Policy.** It shall be the policy of Historic Ithaca that:

- No Board policy decision or organizational transactions are ever tainted with actual or perceived conflict of interest;
- No Trustee or Board Member of Historic Ithaca shall personally profit or be perceived as personally profiting, financially or otherwise, as a result of having served as a member of Historic Ithaca's Board; •All Trustees and/or Board Members shall disclose to the Board Chairman all relationships that may have an impact on Board-related and managerial decisions, including but not limited to service as an officer, official, director, employee, consultant, or holder of a financial interest in any other public or private entity. Such relationships must be disclosed prior to the Board or any committee deliberating and deciding on any policies or actions regarding that entity.

Section 2. **Validity of Actions.** This policy is not meant to rule out transactions between Historic Ithaca and other entities where an interest or a relationship between a Trustees and/or Board Members and such entities exist. Rather, it is designed to ensure that these relationships have been properly disclosed and documented. Furthermore, it shall be the policy of Historic Ithaca that any contract or transaction between the organization and one or more of its Trustees and/or Board Members and/or between the organization and any entity in which one or more of its Trustees and/or Board Members are other wise

interested, shall not be void or voidable solely by reason of such common interest, provided the relationship has been disclosed in good faith or known to the Board or committee, and the Board or committee authorizes such contract or transaction in which the terms are fair and reasonable to Historic Ithaca and the arrangements are consistent with the best interests of the organization.

Section 3. **Conflict of Interest Disclosure Form.** All Trustees and/or Board Members will sign a conflict of interest form annually to disclose to Historic Ithaca any/all interests that may pose potential conflicts of interest. All disclosures required under this policy must be directed in writing to the Chairman of the Board of Directors of Historic Ithaca who, together with the Executive Committee (if one exists), shall be responsible for the administration of this policy.

Definitions

1. Interested Person: Any director, principal officer, or member of a committee with governing 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 of 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.

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 appropriate governing board or committee decides that a conflict of interest exists.

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, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The

remaining Board or committee 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 or committee meeting, but after the presentation, he/she 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 governing 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.

4. Violations of the Conflicts of Interest Policy

- a. 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.
- b. 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.

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.

Compensation

- a. 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.
- b. 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.
- c. 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.

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.

Use of Outside Experts

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

ARTICLE XI NON-DISCRIMINATION

In all of its dealings, neither the Corporation nor its duly authorized agents shall discriminate against any individual or group for any reasons including, but not limited to, race, ethnicity, gender, sexual preference, disability, age or religion.

ARTICLE XII EXPENDITURE RESPONSIBILITY

Section 1. **Purpose of Contributions.** The Corporation shall have the power to make contributions and to render other financial assistance for its charitable purposes.