

LANCASTER COUNTY
CONVENTION CENTER AUTHORITY

BYLAWS

Table of Contents

	<u>Page</u>
ARTICLE I.....	1
1.1. Definitions	1
1.2. Name	1
1.3. Powers	1
1.4. Existence.....	4
ARTICLE II	4
2.1. Office.....	4
2.2. Seal.....	4
ARTICLE III	4
3.1. Governing Body.....	4
3.2. Appointment.....	4
3.3. Terms of Office and Vacancies.....	5
3.4. Succession of Board Members	5
3.5. Meetings	5
3.6. Organizational Meetings	5
3.7. Compensation of Board Members	6
3.8. Voting; Transaction of Business.....	6
3.9. Public Meetings	7
3.10. Minutes	7
ARTICLE IV	7
4.1. Committees.....	7
4.2. Conduct of Business.....	7
ARTICLE V	7
5.1. Officers	7
5.2. Bonds.....	8
5.3. Chairman	8
5.4. First and Second Vice Chairmen	8
5.5. Secretary	8
5.6. Assistant Secretary.....	9
5.7. Treasurer.....	9
5.8. Assistant Treasurer.....	9

Table of Contents

(continued)

	<u>Page</u>
5.9. Executive Director	9
ARTICLE VI.....	9
6.1. Records; Finances	9
6.2. Fiscal Year	9
6.3. Moneys of the Authority	10
ARTICLE VII.....	10
7.1. Limitation of Personal Liability of Directors	10
7.2. Indemnification in Third Party Proceedings.....	11
7.3. Indemnification in Derivative Actions.....	11
7.4. Mandatory Indemnification	12
7.5. Determination of Entitlement to Indemnification.....	12
7.6. Advancing Expenses	13
7.7. Indemnification of Former Representatives	13
7.8. Insurance.....	13
7.9. Reliance on Provisions	13
7.10. Obligation to Cooperate	14
ARTICLE VIII	14
8.1. Disposition of Property of Authority upon Termination of Authority.....	14
ARTICLE IX.....	14
9.1. Amendment of Articles of Incorporation.....	14
9.2. Amendment of Bylaws.....	14

LANCASTER COUNTY CONVENTION CENTER AUTHORITY

BYLAWS

ARTICLE I

1.1. Definitions. The following words shall have the meanings given below when used in these Bylaws:

(a) "Act" shall mean the Third Class County Convention Center Authority Act (Act of December 27, 1994, P.L. 1375, No. 162), as now or hereafter amended.

(b) "Authority" shall mean the Lancaster County Convention Center Authority.

(c) "Board" shall mean the governing body of the Authority.

(d) "City" shall mean the City of Lancaster, Pennsylvania.

(e) "County" shall mean the County of Lancaster, Pennsylvania.

1.2. Name. The name of the Authority shall be the Lancaster County Convention Center Authority.

1.3. Powers. The Authority shall have all powers set forth in the Act.

The Authority shall exercise public powers of the Commonwealth of Pennsylvania as an agency and instrumentality and shall be for the purpose, without limitation, by itself or by agreement in cooperation with others, of acquiring, holding, developing, designing, constructing, improving, maintaining, managing, operating, financing, furnishing, fixturing, equipping, repairing, leasing or subleasing, either in the capacity of lessor or lessee or sublessor or sublessee, and owning a convention center, or parts thereof.

The Authority shall have all powers necessary or convenient for the carrying out of the purposes set forth above, including, without limiting the generality of the foregoing, the following rights and powers:

(1) To have continuing succession.

- (2) To sue and be sued, implead and be impleaded, complain and defend in all courts.
- (3) To adopt, use and alter at will a corporate seal.
- (4) To acquire by gift or otherwise, purchase, hold, receive, lease, sublease and use a license, franchise or property, real, personal or mixed, tangible or intangible, or any interest therein, including a convention center, or parts thereof.
- (5) To sell, transfer or dispose of property or an interest therein with adequate and fair consideration.
- (6) To acquire, hold, develop, design, construct, improve, maintain, manage, operate, furnish, fixture, equip, repair, own, lease or sublease a convention center, or parts thereof, and to make, enter into and award contracts with any person, association, partnership or corporation for the development, design, financing, construction, improvement, maintenance, operation, management, furnishing, fixturing, equipping and repair of a convention center, or parts thereof.
- (7) To make bylaws for the management and regulation of its affairs and issue rules, regulations and policies in connection with the performance of its functions and duties.
- (8) To appoint officers, agents, employees and servants, to prescribe their duties and to fix their compensation.
- (9) To fix, alter, charge and collect rentals, admissions, license fees and other charges.
- (10) To borrow money for the purpose of paying the costs of a project and to evidence the same; make and issue negotiable bonds of the Authority; secure payment of the bonds, or any part thereof, by pledge or deed of trust of all or any of its revenues (including any hotel room rental tax), rentals, receipts and contract rights; make such agreements with the purchasers or holders of the bonds or with other obligees of the Authority in connection with the bonds, whether issued or to be issued, as the Authority shall deem advisable, which agreements shall constitute contracts with the holders or purchasers; obtain such credit enhancement or liquidity facilities in connection with the bonds as the Authority shall determine to be advantageous; and, in general, provide for the security of the bonds and the rights of the bondholders.
- (11) To make, enter into and award contracts of every name and nature and to execute all instruments necessary or convenient for the carrying out of its business.

- (12) To borrow money and accept grants and to enter into contracts, leases, subleases, licenses or other transactions with any Federal agency, State public body, political subdivision, person, association, partnership or corporation.
- (13) To pledge, hypothecate or otherwise encumber its property, real, personal or mixed, tangible or intangible, and its revenues or receipts, including, but not limited to, any interest the Authority may have in a lease or sublease of a convention center, or parts thereof.
- (14) To procure such insurance containing such coverages, including, without limitation, insurance covering the timely payment in full of principal of and interest on bonds of the Authority, in such amounts, from such insurers, as the Authority may determine to be necessary or desirable for its purposes.
- (15) To invest its money.
- (16) To cooperate with any Federal agency, State public body or political subdivision.
- (17) To invest funds held in reserve or sinking funds or funds not required for immediate disbursements as authorized by Section 13113 (Moneys of Authority) of the Act.
- (18) To appoint all officers, agents and employees required for the performance of its duties and fix and determine their qualifications, duties and compensation and retain or employ other agents or consultants, including, but not limited to, architects, auditors, engineers, private legal counsel and private consultants on a contract basis or otherwise for rendering professional or technical services and advice.
- (19) To enroll its employees in an existing retirement system of the State, county, city or other governmental entity.
- (20) To appoint and fix the compensation of chief counsel and such assistant counsel to provide it with legal assistance, and the Authority through its counsel shall defend actions brought against the Authority and its officers and employees when acting within the scope of their official duties.
- (21) To maintain an office in the county seat.
- (22) To appoint an executive director who shall be the chief executive officer of the Authority, who shall devote his or her full time during business hours to the duties of his or her office and who shall receive compensation as the Board shall determine.

(23) To do all acts and things necessary or convenient for the promotion of its purposes and the general welfare of the Authority and to carry out the powers granted to it by the Act.

1.4. Existence. The existence of the Authority shall extend for a term expiring on September 16, 2049, or for such other term as may be provided in articles amending the Articles of Incorporation of the Authority.

ARTICLE II

2.1. Office. The principal office of the Authority shall be located at 50 North Duke Street, Lancaster, Pennsylvania 17602. The Authority may establish and maintain such other offices as the Board may approve.

2.2. Seal. The corporate seal of the Authority shall have inscribed thereon the name of the Authority.

ARTICLE III

3.1. Governing Body. The powers of the Authority shall be exercised by the Board which shall be composed of seven (7) members.

3.2. Appointment.

(i) The County shall appoint three (3) members. The term of office of these members shall be four (4) years. The terms of the first three members appointed shall be allocated between them for a two-year, three-year and four-year term, respectively.

(ii) The City shall appoint three (3) members. The term of office of these members shall be four (4) years. The terms of the first three members appointed shall be allocated between them for a two-year, three-year and four-year term, respectively.

(iii) The County and the City shall alternate in the appointment of the seventh Board member. The County shall make the first appointment of the seventh Board member whose term shall be for four (4) years.

3.3. Terms of Office and Vacancies. Members shall serve a four-year term, except as otherwise provided herein, from the date of their appointment and until their successors have been duly appointed. If a vacancy shall occur by means of the death, disqualification, resignation or removal of a member, the appointing County or City of such member shall appoint that member's successor to fill the unexpired term.

3.4. Succession of Board Members. Members of the Board may succeed themselves.

3.5. Meetings. Regular meetings of the Board shall be held at such times and places as the Board shall direct. The Board, at its annual organizational meeting, shall determine and fix the locations, dates and times for its regular meetings. Special meetings shall be held upon the call of the Chairman of the Board; provided, however, upon request of three (3) members of the Board, the Chairman or Secretary shall call a special meeting. Notice of all regular or special meetings shall be given as required by law.

3.6. Organizational Meetings. The organizational meeting of the Board shall be held at a regularly scheduled meeting in January of each year at which meeting the Board shall elect officers for the next calendar year and transact such other business as may come before it. The Chairman shall not later than a regularly scheduled meeting in November of each year appoint a nominating committee from among members of the Board. The Chairman may appoint himself or herself as a member of the nominating committee, provided that the nominating committee may not (if the Chairman is a member of the nominating committee) recommend the Chairman for reelection as Chairman. The report of the nominating committee shall be furnished to all

Board members at least five (5) days prior to the regularly scheduled meeting in January at which the election of officers for the next calendar year is effected.

3.7. Compensation of Board Members. Members of the Board shall receive \$100.00 compensation per Board meeting in which the member is in attendance for service as Board members. The Authority may (to the extent permitted by law) reimburse Board members for their reasonable and actual costs and expenses of attending to Authority business and of attending meetings.

3.8. Voting; Transaction of Business. Each member of the Board shall have one (1) vote. A majority of the members of the Board (or of any committee) shall constitute a quorum of the Board (or of any committee) for the purpose of organizing and conducting business and for all other purposes. All actions of the Board (or of any committee) may be taken by vote of a majority of the members present. The Board shall have full authority to manage the properties and business of the Authority and to prescribe, adopt, amend and repeal bylaws, rules and regulations governing the manner in which the business of the Authority may be conducted and the powers granted to it may be exercised and embodied. Notwithstanding any other law, court decision, precedent or practice to the contrary, no actions by or on behalf of the Board shall be taken by an officer of the Board except upon the approval of the Board. The term "actions by or on behalf of the Board" means any action whatsoever of the Board, including, but not limited to, the hiring, appointment, removal, transfer, promotion or demotion of any officers and employees, the retention, use or remuneration of advisors, counsel, auditors, architects, engineers or consultants, the initiation of legal action, the making of contracts, leases, agreements, bonds, notes or covenants, the approval of requisitions, purchase orders, investments and reinvestments, and the adoption, amendment, revision or rescission of rules and regulations, orders or other directives.

3.9. Public Meetings. Except for meetings (or portions of meetings) which lawfully may be closed to the public, all meetings of the Board and of any committee of the Board shall be open to the public. The right of the public to participate in public meetings or to comment upon matters being conducted by the Board shall be subject to the Pennsylvania Sunshine Law and to such procedures and regulations as the Board shall from time to time approve. Only Board members and persons invited by the Board may attend those meetings (or portions of meetings) which are lawfully closed to the public.

3.10. Minutes. The Board shall maintain minutes of all proceedings, such minutes to include at least the matters required by law to be included in such minutes.

ARTICLE IV

4.1. Committees. The Board from time to time may designate committees and the Chairman of the Board shall designate members of the Board who shall serve as the members of such committees. The Chairman shall be an ex officio member of every committee. Any committee may exercise the power and authority of the Board delegated to it by the Board.

4.2. Conduct of Business. Each committee may determine the procedural rules for meeting and conducting its business. Each committee shall make provision for notice to all Board members of all committee meetings.

ARTICLE V

5.1. Officers. The officers of the Authority shall be elected by the Board and shall consist of a Chairman, Vice Chairman, Secretary, and Treasurer. The Chairman, Vice chairman, Secretary and Treasurer shall be chosen from members of the Board. The Board may also choose such other officers (e.g. Executive Director, Assistant Secretary, Assistant Treasurer) and agents as it shall deem necessary. All officers and agents shall have the authority and shall

perform such duties as set forth in these Bylaws and/or as shall from time to time be prescribed by the Board.

5.2. Bonds. The officers, agents and employees of the Authority shall give bond, conditioned for the faithful performance of their duties, at the cost of the Authority, in such amounts as from time to time are required and approved by the Board.

5.3. Chairman. The Chairman shall be the chief executive officer of the Board and the Chairman shall preside at all meetings of the Board. The Chairman shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Board to delegate any specific powers except as prohibited by the Act or by law. The Chairman shall execute notes, mortgages and other contracts requiring a seal, under the seal of the Authority.

5.4. First and Second Vice Chairmen. The First Vice Chairman shall act in the absence of the Chairman; and in the absence of the Chairman, the First Vice Chairman shall exercise all duties and powers of the Chairman. The Second Vice Chairman shall act in the absence of the First Vice Chairman, and in the absence of the First Vice Chairman, the Second Vice Chairman shall exercise all duties and powers of the First Vice Chairman.

5.5. Secretary. The Secretary shall attend all meetings of the Board and act as clerk thereof. The Secretary shall record all the votes of the members of the Board and shall maintain the minutes of all meetings and transactions of the Authority or the Board; and the Secretary shall perform, or cause to be performed, like duties for all committees of the Board when requested to do so. The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with law, and shall perform such other duties as may be prescribed by the Board. The Secretary shall keep in safe custody the seal of the Authority; and when authorized by the Board, the Secretary shall attest to documents executed by the Chairman and affix the seal to any instrument requiring it.

5.6. Assistant Secretary. The Assistant Secretary shall act in the absence of the Secretary; and in the absence of the Secretary, the Assistant Secretary shall exercise all duties and powers of the Secretary.

5.7. Treasurer. The Treasurer shall have custody of the Authority's funds and securities and shall keep full and accurate accounts of all receipts and disbursements. The Treasurer shall keep the moneys of the Authority in a separate account to the credit of the Authority. He or she shall disburse the funds of the Authority as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board, at the regular meetings of the Board, whenever it may require it, an account of all transactions and of the financial condition of the Authority.

5.8. Assistant Treasurer. The Assistant Treasurer shall act in the absence of the Treasurer; and in the absence of the Treasurer, the Assistant Treasurer shall exercise all duties and power of the Treasurer.

5.9. Executive Director. The Executive Director shall be the chief administrative officer of the Authority and shall carry forth such policies, transactions and activities as are approved by the Board. The Executive Director shall have the right to speak, but not to vote, on all matters considered at any meeting which he or she attends.

ARTICLE VI

6.1. Records: Finances. There shall be kept at the office of the Authority an original or duplicate record of the proceedings of the Board and the original or a copy of the Authority's Articles of Incorporation and Bylaws, including all amendments or alterations thereto to date.

6.2. Fiscal Year. Except for the first fiscal year which shall begin on September 16, 1999, and end on the last day of March 2000, the fiscal year of the Authority shall begin on the first day of April and end on the last day of March.

6.3. Moneys of the Authority. All moneys of the Authority, from whatever source derived, shall be paid to the Authority and deposited in one or more accounts, and each of such accounts to the extent the same is not insured shall be secured in accordance with law. The moneys in said accounts shall be paid out on the authorization of such person or persons as the Board may authorize. On or before July 1 of each year, the Authority shall file an annual report of its fiscal affairs covering the preceding fiscal year with the Commonwealth of Pennsylvania and the County. The Authority shall have its books, accounts and records audited annually by a certified public accountant, and a copy of the audit report shall be filed in the same manner and within the same time period as the aforesaid annual report. A concise financial statement shall be published annually, at least once in a newspaper of general circulation in the municipality where the principal office of the Authority is located. If such publication is not made by the Authority, the County shall publish such statement at the expense of the Authority. If the Authority fails to make such an audit, then the controller, auditor or accountant designated by the County is hereby authorized and empowered from time to time to examine at the expense of the Authority the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances, operation and affairs. The Attorney General of the Commonwealth of Pennsylvania shall have the right to examine the books, accounts and records of the Authority.

ARTICLE VII

7.1. Limitation of Personal Liability of Directors. A director of the Authority shall not be personally liable for monetary damages as such for any action taken, or any failure to take action, unless:

(a) the director has breached or failed to perform the duties of his or her office; and

(b) the breach or failure to perform constitutes self dealing, willful misconduct or recklessness.

The provisions of this Section shall not apply to the responsibility or liability of a director pursuant to any criminal statute.

7.2. Indemnification in Third Party Proceedings. The Authority shall indemnify any person who was or is a party or is 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 Authority) by reason of the fact that he or she is or was a representative of the Authority, or is or was serving at the request of the Authority as a representative of another public instrumentality or agency pursuant to the Act, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to the best interests of the Authority, 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, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to the best interests of the Authority, and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.3. Indemnification in Derivative Actions. The Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Authority, or is or was serving at the

request of the Authority as a representative of another public instrumentality or agency pursuant to the Act, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit 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 Authority and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Authority unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite 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 which the court shall deem proper.

7.4. Mandatory Indemnification. Notwithstanding any contrary provision of the articles or these Bylaws, to the extent that a representative of the Authority has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in either Article 7.2 or Article 7.3 above, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith.

7.5. Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under Article 7.2 or Article 7.3 above shall be made by the Authority only as authorized in the specific case upon 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 such paragraph. Such determination shall be made:

(a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings; or

(b) if such a quorum is not obtainable, or, even if obtainable, at the direction by a majority vote of a quorum of disinterested directors, by independent legal counsel in a written opinion.

7.6. Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Authority, as authorized in Article 7.1, 7.2 or 7.3 above.

7.7. Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the Authority and may inure to the benefit of the heirs, executors and administrators of such person.

7.8. Insurance. The Authority shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Authority or is or was serving at the request of the Authority as a director, officer, employee or agent of another public instrumentality or agency pursuant to the Act, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Authority would otherwise have the power to indemnify such person against such liability.

7.9. Reliance on Provisions. Each person who shall act as an authorized representative of the Authority shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

7.10. Obligation to Cooperate. The obligations of the Authority are conditioned upon the cooperation with the Authority of the person benefited by the provisions of this Article VII; and in the event such person shall fail or refuse to cooperate with the Authority as reasonably requested by the Authority, then the Authority may recover all costs and expenses expended on behalf of such person.

ARTICLE VIII

8.1. Disposition of Property of Authority upon Termination of Authority. Upon termination or dissolution of the Authority, any property or assets of the Authority shall be conveyed and transferred equally to the County and City as approved by the Board and subject to law.

ARTICLE IX

9.1. Amendment of Articles of Incorporation. The Articles of Incorporation of the Authority may be amended by the County and the City.

9.2. Amendment of Bylaws. These Bylaws may be amended by the Board upon the affirmative vote of two-thirds (2/3) of all members of the Board; provided, however, notice of every proposed amendment shall be given to each Board member not less than ten (10) days prior to action thereon.