

BY-LAWS OF MARKET CENTER ASSOCIATION, INC.

ARTICLE I PURPOSES

The purposes of the Market Center Association, Inc. (herein called the "Association") shall be:

1. To promote and advance the interests of the retail, service, rental and professional businesses located in the Market Center retail Business District (the "District"), as that District is designated in Article 14, Special Benefits Districts of the Baltimore City Code (2008 Edition, as amended) (the "Code"); and
2. To bring about a closer relationship among the retail, service, rental and professional businesses in the District;
3. To conduct the management program and to provide the promotional services called for under Article 14, Special Benefits Districts of the Baltimore City Code
4. To administer the funds provided through the Retail Business District License procedure established by Article 14, Sections 11-22 of the Code.

ARTICLE II MEMBERSHIP

Any individual, firm, corporation, partnership, or joint venture engaged in the retail, service, rental, and/or professional businesses within the District shall be a Member, also known as a licensee, in the Association, so long as said individual, firm, corporation, partnership, or joint venture holds a valid, current, and fully-paid Retail Business District License for the District issued by the Director of Finance of Baltimore City.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members/Licensees of the Association shall be held each year on or before 30 days prior to the first day of the fiscal year, on a day to be duly designated by the Board of Directors. At the annual meeting, the Members/Licensees shall elect Directors and Officers in those years when there is an election, vote on the Association's annual budget, and transact such other corporate business as may come before the meeting.

Section 2. Special Meetings. Special meeting of the Members/Licensees may be called, at any time and for any purpose or purposes, by the President, by a majority of the Board of Directors or by any Director of the Association when requested in writing by

Members/Licensees entitled to cast at least twenty-five percent (25%) of all the licensee votes; provided, that no such special meeting shall be called to consider any matter which is substantially the same as a matter voted on at any meeting of the Members/Licensees held during the preceding twelve (12) months. When a special meeting is called, such request shall state the purpose or purposes of the meeting and the matters proposed to be acted on at it. Business transacted at all special meetings of Members/Licensees shall be confined to the purpose or purposes stated in the notice of the meeting.

Section 3. Quorum. The presence in person or by proxy of at least twenty (20) of the Members/Licensees of the Association entitled to vote thereat shall constitute a quorum at all meetings of the Members/Licensees.

Section 4. Additional Meetings. If the number of Members/Licensees present at a properly called meeting of the Members/Licensees of the Association is insufficient to approve a proposed action, an additional meeting of the Members/Licensees may be called for by a majority vote of those Members/Licensees present in person or by proxy. Fifteen (15) days notice of the time, place, and purpose of the additional meeting shall be given by advertisement in a newspaper published in the county where the principal office of the Association is located. The notice shall inform the Members/Licensees that at the additional meeting, the Members/Licensees present in person or by proxy shall constitute a quorum and that a majority of the Members/Licensees present in person or by proxy may approve or authorize the proposed action at the additional meeting and may take any other action which could have been taken at the original meeting if a sufficient number of Members/Licensees had been present.

Section 5. Nomination of Directors and Officers. In the years when there is an election, at least forty-five (45) days prior to the Annual Meeting of the Members/Licensees of the Association, the Nominating Committee, consisting of the President and at least one other director, shall decide upon a slate of directors and officers, and shall present said slate to the Members/Licensees of the Association not less than thirty-five (35) days prior to said Annual Meeting.

Upon written request of at least twenty (20) of the Members/Licensees of the Association, made to a member of the Nominating Committee not less than twenty-five (25) days prior to said Annual Meeting, an additional slate or slate of directors and/or officers may be proffered. The Nominating Committee member shall present said slate or slates to the Board of Directors of the Association.

The Secretary shall apprise the Members/Licensees of the Association of 1) all slates of directors and/or officers; 2) the Members/Licensees who are eligible to vote; and 3) the number of votes per each eligible Member/Licensee.

The current Board of Directors and Officers will remain in office until the Members/Licensees approve the slate of directors and/or officers.

Section 6. Preparation of and Voting on the Annual Budget. It shall be the responsibility of the Board of Directors, or a duly created committee thereof, to prepare a proposed annual budget for presentation to the Members/Licensees at the annual meeting of the Association. A copy of the proposed annual budget shall be sent to each Member/Licensee of the Association concurrently with the annual meeting notice. The annual budget of the Association shall be discussed at the annual meeting of the Members/Licensees, and shall be approved by the Members/Licensees in accordance with Article 14, Section 11-22 of the Code, which states "Voting on all budgetary matters shall be by the majority of the licensees, as represented by 1 vote per square foot of licensable space, and no vote shall carry except by a majority of votes cast." The Secretary will cause a list of the eligible Members/Licensees to be created indicating the number of votes per Member/Licensee. Members/Licensees may vote either at the annual meeting in person or by proxy. The last approved budget will remain in force until a new budget is approved.

Section 7. Notice of Meetings. Written notice of each meeting of the Members/Licensees shall be mailed, postage prepaid, by the Secretary, to each Member/Licensee at his/her postal address, as it appears upon the books of the Association, at least ten (10) days and not more than ninety (90) days prior to the meeting. Each such notice shall state the agenda, place, day, and hour at which the meeting is to be held, and, in case of any special meeting, shall state briefly the purpose or purposes thereof.

Section 8. Conduct of Meetings. Meetings of Members/Licensees, as well as the Board of Directors, shall be presided over by the President of the Association or, if the President is not present, by a Vice President, or, if none of said Officers is present, by a chairperson to be elected at the meeting. The Secretary of the Association or the Secretary's designee shall act as secretary of such meetings; At the discretion of the chairman of the meeting, the rules contained in the current edition of Robert's Rules of Order Newly Revised may be used to govern any meetings of the Association insofar as said Rules are not inconsistent with these By-Laws and/or any special rules of order adopted by the Association.

Section 9. Voting. At all meetings of Members/Licensees, every Member/Licensee entitled to vote thereat shall have one (1) vote per square foot of licensable space, as said Member's/Licensee's licensable space is determined by the Commissioner of Housing and Community Development of Baltimore City, pursuant to Article 14, Section 11-1(e) and 11-7(b)(2) of the Code. Such vote may be cast either in person by the Member/Licensee, by mail by the Member/Licensee, or by proxy duly appointed by an instrument in writing subscribed by such Member/Licensee, or its duly authorized attorney, and bearing a date not more than one (1) month prior to said meeting unless said instrument expressly provides for a longer period. Such proxy shall be dated, but need not be sealed, witnessed or acknowledged. The right of the Members/Licensees to vote by mail shall be

limited to voting on stated proposals, voting for the election of Directors, or voting for the election of any officers who are to be elected by the Members/Licensees. All elections shall be had and all questions shall be decided by a majority of the votes cast at a duly constituted meeting, with each Member/Licensee having one vote per square foot of licensable space, except as may be otherwise specifically provided by law, by the Articles of Incorporation of the Association or by these By-Laws. The voting requirements of Article 14, Section 11-22(c) of the Code shall apply solely to the approval of and/or amendments to the annual budget of the Association, all as more specifically provided for in Article III, Section 6 of these By-Laws, and to no other question. If the chairperson of the meeting shall so determine, a vote by ballot may be taken upon any election or matter; a vote by ballot also shall be taken upon the request of ten percent (10%) of the Members entitled to vote on such election or matter. The chairperson may appoint one or more tellers of election. In such event, the proxies and ballots shall be held by the tellers and all questions as to the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the tellers. If no teller is appointed, the foregoing duties shall be performed by the chairperson.

Section 10. Change of Rate. The Association has the power to adopt a resolution suggesting a change in the District's rate per square foot of licensable space, as that rate is prescribed from time to time in Article 14, Sections 11-22 (b) of the Code. The power to recommend such a change in the rate per square foot of licensable space shall reside in the Members/Licensees of the association, who, by a majority vote of said Members/Licensees, may adopt a resolution suggesting a rate per square foot which differs from the then current rate. Any such resolution adopted by the Members/Licensees shall be sent by the President of the Association to the Mayor and City Council of Baltimore City, which must ratify said rate change by ordinance before it becomes effective.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. General Powers. The property and business of the Association shall be managed under direction of the Board of Directors of the Association.

Section 2. Number and Term of Office. The number of directors shall be up to twenty-three (23), or such number as may be designated from time to time by resolution of a majority of the entire Board of Directors, provided, however, that the number of directors may not be less than either the minimum permitted by law. Directors need not be Members/Licensees. The Directors shall be elected for a term of two (2) years each or until their successors are duly elected and qualified.

Section 3. Filling of Vacancies. In the event of vacancy in the Board of Directors—whether by reason of a Director's death, resignation, disqualification or removal, or by any other reason or cause with the exception of the reason of an increase in accordance with

these By-Laws of the number of directors of the Association—the directors remaining in office, by affirmative vote of the majority thereof, may elect the person(s) to fill such vacancy and to hold office until the next election and thereafter until his/her successor shall be duly elected and qualified. In the event of a vacancy in the Board of Directors by reason of an increase in the number of directors in accordance with these By-Laws, a majority of the entire Board of Directors may elect the person to fill such vacancy and to hold office until the next election and thereafter until said Director's successor shall be duly elected and qualified.

Section 4. Removal of Directors. Any Director may be removed from office, with or without cause, by the affirmative vote of a majority of the directors.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall from time to time be determined by resolution of the Board. Notice of the time or place for the holding of regular meetings of the Board shall be mailed, or sent electronically, to each Director at least ten (10) days before the meeting. Any business may be transacted at any regular meeting of the Board.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called, at any time and for any purpose or purposes, by the President or by the Vice President. Special meetings of the Board of Directors shall be called by the President or by the Secretary upon request in writing of a majority of the Board of Directors. The Secretary shall give notice, to each Director of each special meeting of the Board of Directors by mailing, emailing or telephoning the same at least three (3) days prior to the meeting, or by emailing or telephoning the same at least one (1) day prior to the meeting if the matter requires urgent or immediate attention. Any and all business may be transacted at any special meeting. Any Director may, in writing, waive notice of the time, place and objects of any special meeting. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such reconvened meeting other than by announcement at the adjourned meeting.

Section 7. Place of Meeting and Offices. The Board of Directors may hold their meetings, have one or more offices, and keep the books of the Association at such place or places, either within or without the State of Maryland, as they may, from time to time, determine by resolution, or by written consent of all, of the Directors.

Section 8. Quorum. A majority of all of the Directors present (but in no event less than five (5) Directors) shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 9. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to

consist of two or more of the Directors of the Association which, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors, excepting, however, the power to alter or amend the By-Laws, to distribute the assets of the Association, or recommend to the Members/Licensees any action requiring Member/Licensee approval, to approve any merger which does not require Member/Licensee approval, or to fill vacancies in the Board of Directors or in their own membership, which vacancies shall be filled by the Board of Directors. Such committee or committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 10. Compensation. Members of the Board of Directors, and Board Committees, shall receive no compensation for their services as such, but may, by resolution of the Board, be allowed reimbursement of their expenses actually and reasonably incurred on behalf of the Association.

ARTICLE V **OFFICERS**

Section 1. Election, Tenure, and Compensation. The Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other Officers as the Board of Directors from time to time may consider necessary for the proper conduct of the business of the Association. All Officers shall be elected as per Article III Section 4 of the By-laws, except that the Board of Directors shall have the power to appoint those Officers whose positions become vacant until the time of the next election. All Officers shall serve for a term of (2) two years or until his or her successor is duly elected and qualified. The President shall be a Director and the other Officers may, but need not be, Directors or Members/Licensees. Any two or more of the above offices, except those of President and Vice President, may be held by the same person, but no Officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law or by these By-Laws to be executed, acknowledged or verified by any two or more Officers. Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, every Officer and agent of the Association shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors, and all Officers, agents, and employees shall hold office at the discretion of the Board of Directors or of the Officers appointing them.

Section 2. Powers and duties of the President (Chairperson of the Board). The President shall be the Chief Executive Officer of the Association and shall have general charge and control of all its business affairs and properties. He/she shall preside at all meetings of the Members/Licensees and of the Board of Directors unless the Board of Directors shall, by a majority vote of a quorum thereof, elect a Chairperson other than the President to preside at meetings of the Board of Directors. The President may sign and execute all authorized bonds, contracts or other obligations in the name of the Association. He/she shall have the general powers and duties of supervision and management usually

vested in the office of president of a corporation. The President shall be ex-officio a member of all the standing committees. He/she shall do and perform such other duties as may, from time to time, be assigned to him/her by the Board of Directors.

Section 3. Powers and Duties of the Vice President. The Board of Directors may create the office of Vice President who may sign and execute all authorized bonds, contracts, or other obligations in the name of the Association. The Vice President shall have such other powers and shall perform such other duties as may be assigned to him/her by the Board of Directors or by the President. In case of the absence or disability of the President, the duties of that office shall be performed by the Vice President; the taking of any action by the Vice President in place of the President shall be conclusive evidence of the absence or disability of the President.

Section 4. Secretary. The Secretary shall give, or cause to be given, notice of all meetings of Members/Licensees and Directors and all other notices required by law or by these By-Laws; in case of his/her absence or refusal or neglect to do so, any such notice may be given by any person so directed by the President, or by the Directors or Members/Licensees upon whose written requisition as provided in these By-Laws the meeting is called. The Secretary shall record all of the proceedings of the meetings of the Members/Licensees and of the Directors in books provided for that purpose and he/she shall perform such other duties as may be assigned to him/her by the Directors or the President. The Secretary shall assure that the annual report is delivered to the Commissioner as required by Article 14, Section 11-9 (d) of the Code. Prior to the annual meeting the Secretary shall cause a list of the eligible Members/Licensees to be created indicating the number of votes per Member/Licensee. When authorized by the Board of Directors or the President, he/she shall attest to or witness all instruments requiring same. In general, the Secretary shall perform all the duties generally incident to the office of Secretary, subject to the control of the Board of Directors and the President.

Section 5. Treasurer. The Treasurer shall have custody of all the funds and securities of the Association, and he/she shall keep full and accurate account of receipts and disbursements in books belonging to the Association. He/she shall deposit all monies and other valuables in the name and to the credit of the Association in such depository or depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. He/she shall render to the President and the Board of Directors, whenever either of them so requests, and in no event less than once per fiscal year, an account of all his/her transactions as Treasurer and of the financial condition of the Association. The Treasurer shall give the Association a bond, if required by the Board of Directors, in a sum, and with one or more sureties, satisfactory to the Board of Directors, for the faithful performance of the duties of his/her office and for the restoration to the Association in case of his/her death, resignation, retirement or removal from office of all books, papers, vouchers, monies, and other properties of whatever kind in his possession or under his control belonging to the Association. In general, the

Treasurer shall perform all the duties generally incident to the office of the Treasurer, subject to the control of the Board of Directors and the President.

Section 6. Subordinate Officers. The Association may have such subordinate officers as the Board of Directors may from time to time deem advisable. Each such officer shall hold office for such period and perform such duties as the Board of Directors may prescribe

Section 7. Compensation. Officers of the Board of Directors shall receive no compensation for their services as such, but may, by resolution of the Board, be allowed reimbursement of their expenses actually and reasonably incurred on behalf of the Association.

ARTICLE VI

BANK ACCOUNTS

Bank Accounts. Such Officers or agents of the Association as from time to time shall be designated by the Board of directors shall have authority to deposit any funds of the Association in such banks or trust companies as from time to time shall be designated by the Board of Directors. Such Officers or agents of the Association as from time to time shall be authorized by the Board of directors may withdraw any or all of the funds of the Association so deposited in any bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of the Association, and made or signed by such Officers or agents; and each bank or trust company with which funds of the Association are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all check, drafts or other instruments or orders for the payment of money, when drawn, made or signed by the Officers or agents so designated by the Board of Directors until written notice of the revocation of the authority of such Officers or agents by the Board of Directors shall have been received by such bank or trust company. From time to time there shall be certified to the banks or trust companies in which funds of the Association are deposited, the signatures of the Officers or agents of the Association so authorized to draw against the same. In the event that the Board of directors shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this Section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by two officers of the Association.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Association shall be such as shall be duly designated by the Board of Directors.

Section 2. Notices. Whenever, under the provisions of these By-Laws, notice is required to be given to any Member/Licensee, Director or Officer, it shall be construed to mean either written notice personally served against written receipt, notice in writing transmitted by mail, by depositing the same in a post office or letter box, in a post-paid sealed wrapper, addressed to each Member/Licensee, Director or Officer at the general post office situated in the city or county of his residence or through a secure electronic means, and such notice shall be deemed to be given at the time the same shall be thus mailed or electronically sent. Any Member/Licensee, Director or Officer may waive any notice required to be given under these By-Laws.

Section 3. General Counsel. The Board of Directors may appoint a general counsel who shall have dominion over all matters of legal import concerning the Association. It shall be the duty of the Officers and the members of the Board of Directors to consult with the general counsel (if any be appointed) from time to time, as such legal matters may arise. In addition, at the sole discretion of the Board of directors, the Officers and the members of the Board of Directors may consult with the Department of Law of the City of Baltimore with regard to matters of special concern to the City.

Section 4. Corporate Seal. The Board of Directors may provide a suitable seal, bearing the name of the Association, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. Whenever the Association is required to place its corporate seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a corporate seal to place the word "(seal)" adjacent to the signature of the authorized officer.

Section 5. Books and Records. The Association shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its Members/Licensees and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of the Association may be in written form or in any other form, which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction.

Section 6. Bonds. The Board of directors may require any officer, agent or employee of the Association to give a bond to the Association, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors. The Board of Directors, by majority vote thereof, may reimburse any officer, agent or employee of the Association for the costs of said bond.

Section 7. Severability. The invalidity of any provision of these By-Laws shall not affect the validity of any other provision, and each provision shall be enforced to the extent permitted by law.

ARTICLE VIII **AMENDMENTS**

Unless otherwise provided in the Articles of Incorporation, the Members/Licensees shall have full power and authority to amend, alter or repeal these By-Laws or any provision thereof, and may from time to time make additional By-Laws, at any annual meeting as part of the general business of such meeting or at any special meeting provided there shall have been stated in the notice of such special meeting the substance of such proposed amendment, alteration or repeal.

In addition, and unless otherwise provided in the Articles of Incorporation, the Board of Directors shall have full power and authority to amend, alter or repeal these By-Laws or any provision thereof, and may from time to time make additional By-Laws, at any regular or special meeting as part of the general business of such meeting.

ARTICLE IX **INDEMNIFICATION**

Section 1. Actions in General. The Association 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 Association) by reason of the fact that he/she is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a trustee or administrator or in any other fiduciary capacity under any pension, profit sharing, or other deferred compensation plan, or any employee welfare benefit plan of the Association. The indemnification shall be against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit, or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the association, and, with respect to any criminal action or proceeding, had not reasonable cause to believe his conduct was unlawful. The termination of any action, suit, 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 such person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, he/she had reasonable cause to believe that his conduct was unlawful.

Section 2. Action By or In Right of Association. The Association 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 by or in the right of the Association to procure a judgment in its favor by reason of the fact that he/she is or was a Director, Officer, employee or agent of the association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership,

joint venture, trust or other enterprise, or is or was serving as a trustee or administrator or in any other fiduciary capacity under any pension, profit sharing, or other deferred compensation plan, or any employee welfare benefit plan of the Association. The indemnification shall be against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection with the defense or settlement of the action or suit, if he/she acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which the person has been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Association, unless (and only to the extent that) the court in which the action or suit was brought, or a court of equity in the county in which the Association has its principal office, determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court shall deem proper.

Section 3. Determination that Indemnification is Proper. Any indemnification under Sections 1 or 2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, Officer, employee, agent, trustee, administrator or other fiduciary is proper in the circumstances because he/she has met the applicable standard of conduct set forth in said Sections 1 or 2. The determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action, suit, or proceeding, or, if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, the determination of the propriety of any indemnification under this Article shall be made, in a written opinion, by independent legal counsel (i.e., a lawyer who is not a Director, Officer, employee or agent of the Association or such other corporation, partnership, joint venture, trust or other enterprise, or is not or was not serving at the request of the Association as a trustee or administrator or in any other fiduciary capacity under any pension, profit sharing, or other deferred compensation plan, or any employee welfare benefit plan of the Association, and who is not a partner or professional associate of any Director, Officer, employee or agent of the Association or of such other corporation, partnership, joint venture, trust or other enterprise).

Section 4. Indemnification Against Expenses Incurred In Successful Defense. Unless otherwise expressly provided by the Articles of Incorporation of the Association, to the extent that a Director, Officer, employee, agent, trustee, administrator or other fiduciary of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2, or in defense of any claim, issue, or matter therein mentioned, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith, and no determination pursuant to Section 1 shall be required in such instance.

Section 5. Payment of Expenses in Advance of Final Disposition of Action. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or

proceeding shall be paid by the Association in advance of the final disposition thereof if authorized in the specific case by a preliminary determination, following the procedures set forth in Section 3, that there is a reasonable basis for a belief that the Director, Officer, employee, agent, trustee, administrator or other fiduciary met the applicable standard of conduct set forth in Sections 1 or 2, but only upon receipt of an undertaking by or on behalf of the Director, Officer, employee, agent, trustee, administrator or other fiduciary reasonably assuring that such amount will be repaid unless it shall ultimately be determined that such person is entitled to be indemnified by the Association as authorized in this Article.

Section 6. Non-Exclusive Right to Indemnity; Inures to Benefit of Heirs and Personal Representatives. The foregoing rights of indemnification shall be in addition to all rights to which any such Director, Officer, employee, agent, trustee, administrator or other fiduciary may be entitled as a matter of law, and shall continue as to a person who has ceased to be such a Director, Officer, employee, agent, trustee, administrator or other fiduciary and inure to the benefit of the heirs and personal representatives of such person.

Section 7. Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, or is or was serving at the request of the Association as a trustee or administrator or in any other fiduciary capacity under any pension, profit sharing, or other deferred compensation plan, or any employee welfare benefit plan of the Association, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his status as such, would be required to indemnify him against the liability under the provisions of this Article or the laws of this State.

Section 8. Certain Persons not to be Indemnified. Notwithstanding the foregoing provisions of this Article VIII, the Association shall not indemnify any bank, trust company, investment adviser, or any actuary against any liability which they may have by reason of their acting as a "fiduciary" of any employee benefit plan (as that term is defined in the Employee Retirement Income Security Act, as amended from time to time) established for the benefit of this Association's employees.

ARTICLE X DISSOLUTION

Dissolution. Upon the dissolution of the Association, or upon the abandonment of the Association's activities due to the impracticable or inexpedient nature, any and all assets of the Association then remaining in the hands of the Association shall be distributed, transferred, conveyed, delivered and paid over to the Mayor and City Council of the City of Baltimore.