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990

Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public  
Inspection

A For the 2012 calendar year, or tax year beginning 07/01/12, and ending 06/30/13

- B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization

NEWTOWN COMMUNITY DEVELOPMENT CORP

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

511 WEST UNIVERSITY DRIVE

City, town or post office, state, and ZIP code

TEMPE

AZ 85281

Room/suite

4

D Employer identification number

86-0793043

E Telephone number

480-517-1589

G Gross receipts \$

2,861,630

F Name and address of principal officer

ALLEN L. CARLSON

511 WEST UNIVERSITY DRIVE, SUITE 4

TEMPE

AZ 85281

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

I Tax-exempt status

☒ 501(c)(3)☐ 501(c) ( )

(insert no)

☐ 4947(a)(1) or☐ 527

J Website

WWW.NEWTOWNCDC.ORG

H(c) Group exemption number

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other

L Year of formation 1994

M State of legal domicile

AZ

## Part I Summary

1 Briefly describe the organization's mission or most significant activities

NEWTOWN'S MISSION IS TO INCREASE THE SUPPLY OF PERMANENTLY AFFORDABLE HOUSING WHILE DEVELOPING AND SUPPORTING HOMEBUYERS THROUGH INNOVATIVE PROGRAMS AND PARTNERSHIPS.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

3 14

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 14

5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)

5 16

6 Total number of volunteers (estimate if necessary)

6 25

7a Total unrelated business revenue from Part VIII, column (C), line 12

7a 0

b Net unrelated business taxable income from Form 990-T, line 34

7b 0

Activities &amp; Governance

8 Contributions and grants (Part VIII, line 1h)

Prior Year

1,658,425

Current Year

1,201,540

9 Program service revenue (Part VIII, line 2g)

33,380

24,000

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

1 25

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

-584,752

-176,266

12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)

1,107,054

1,049,299

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

0

14 Benefits paid to or for members (Part IX, column (A), line 4)

0

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

420,310

415,516

16a Professional fundraising fees (Part IX, column (A), line 11e)

0

b Total fundraising expenses (Part IX, column (D), line 25)

0

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)

239,830

156,108

18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)

660,140

571,624

19 Revenue less expenses Subtract line 18 from line 12

446,914

477,675

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

Beginning of Current Year

5,307,236

End of Year

6,642,795

21 Total liabilities (Part X, line 26)

1,671,663

2,529,547

22 Net assets or fund balances Subtract line 21 from line 20

3,635,573

4,113,248

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer

Allen L Carlson Executive Director

Date

10/20/2013

Type or print name and title

Paid

Print/Type preparer's name

STEVEN L. TAIT

Preparer's signature

Steven Lait

Date

10/22/13

Check

if

PTIN

self-employed

P00017643

Preparer Use Only

Firm's name

WALKER &amp; ARMSTRONG, LLP

Firm's EIN

86-0257194

Firm's address

3838 N CENTRAL AVE STE 1700

Phone no

602-230-1040

Firm's address PHOENIX, AZ 85012-1994

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form 990 (2012)

SCANNED NOV 18 2013

917

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**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

**NEWTOWN'S MISSION IS TO INCREASE THE SUPPLY OF PERMANENTLY AFFORDABLE HOUSING WHILE DEVELOPING AND SUPPORTING HOMEBUYERS THROUGH INNOVATIVE PROGRAMS AND PARTNERSHIPS.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ **182,361** including grants of \$ ) (Revenue \$ )  
**COMMUNITY LAND TRUST - ACQUIRED/REHABILITATED HOMES AND SOLD THEM TO LOW-INCOME FIRST TIME HOME BUYERS THROUGH NEWTOWN'S COMMUNITY LAND TRUST (CLT) PROGRAM. NEWTOWN CURRENTLY HAS 96 CLT PROPERTIES IN CHANDLER, GLENDALE, SCOTTSDALE, AND TEMPE, AZ.**

**4b** (Code: ) (Expenses \$ **296,873** including grants of \$ ) (Revenue \$ )  
**HOME BUYER ASSISTANCE / HOUSING COUNSELING - PROVIDED HOMEBUYER EDUCATION, HOMEOWNERSHIP COUNSELING, CREDIT COUNSELING AND FORECLOSURE PREVENTION COUNSELING TO 1,250 HOUSEHOLDS. NEWTOWN ALSO PROVIDED \$434,250 IN INDIVIDUAL DEVELOPMENT ACCOUNT MATCHING FUNDS TO 30 LOW-INCOME FIRST TIME HOMEBUYERS.**

**4c** (Code: ) (Expenses \$ ) including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O )

(Expenses \$ ) including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **479,234**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<b>X</b>	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	<b>X</b>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<b>X</b>
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		<b>X</b>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		<b>X</b>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<b>X</b>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<b>X</b>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		<b>X</b>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		<b>X</b>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	<b>X</b>	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		<b>X</b>
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		<b>X</b>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	<b>X</b>	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	<b>X</b>	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		<b>X</b>
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	<b>X</b>	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		<b>X</b>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		<b>X</b>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		<b>X</b>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		<b>X</b>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		<b>X</b>
<b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		<b>X</b>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		<b>X</b>
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		<b>X</b>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		<b>X</b>
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		<b>X</b>
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		<b>X</b>
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		<b>X</b>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		<b>X</b>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		<b>X</b>
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
<b>a</b> A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		<b>X</b>
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		<b>X</b>
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	<b>X</b>	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		<b>X</b>
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		<b>X</b>
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		<b>X</b>
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1		<b>X</b>
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		<b>X</b>
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		<b>X</b>
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		<b>X</b>
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	<b>X</b>	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1a</b> 2		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	X	
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	<b>2a</b> 16		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	X	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>		X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>		X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>		X
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>		X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>		X
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>		X
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966?	<b>9a</b>		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter			
<b>a</b> Gross income from members or shareholders.	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand.	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>		

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI ☒

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	<b>14</b>	
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent	<b>14</b>	
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	<b>2</b>	<b>X</b>
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	<b>3</b>	<b>X</b>
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	<b>4</b>	<b>X</b>
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?	<b>5</b>	<b>X</b>
<b>6</b>	Did the organization have members or stockholders?	<b>6</b>	<b>X</b>
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<b>7a</b>	<b>X</b>
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<b>7b</b>	<b>X</b>
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>a</b>	The governing body?	<b>8a</b>	<b>X</b>
<b>b</b>	Each committee with authority to act on behalf of the governing body?	<b>8b</b>	<b>X</b>
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	<b>9</b>	<b>X</b>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?	<b>10a</b>	<b>X</b>
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	<b>10b</b>	
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<b>11a</b>	<b>X</b>
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	<b>12a</b>	<b>X</b>
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>12b</b>	<b>X</b>
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<b>12c</b>	<b>X</b>
<b>13</b>	Did the organization have a written whistleblower policy?	<b>13</b>	<b>X</b>
<b>14</b>	Did the organization have a written document retention and destruction policy?	<b>14</b>	<b>X</b>
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	<b>15a</b>	<b>X</b>
<b>b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	<b>15b</b>	<b>X</b>
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	<b>16a</b>	<b>X</b>
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	<b>16b</b>	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **AZ**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization **NEWTOWN COMMUNITY DEVELOPMENT CORP 511 WEST UNIVERSITY DRIVE #4**

TEMPE

AZ 85281

480-517-1589

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) <b>GREG WESSEL</b>	2.00 0.00	X		X				0	0	0
<b>CHAIRMAN</b>										
(2) <b>BARBARA BOONE</b>	2.00 0.00	X		X				0	0	0
<b>VICE CHAIR</b>										
(3) <b>PEN JOHNSON</b>	2.00 0.00	X		X				0	0	0
<b>SECRETARY</b>										
(4) <b>LINDA SPEARS</b>	2.00 0.00	X		X				0	0	0
<b>TREASURER</b>										
(5) <b>NICK MINER</b>	2.00 0.00	X						0	0	0
<b>PAST-CHAIR</b>										
(6) <b>CLARA ALI</b>	2.00 0.00	X						0	0	0
<b>DIRECTOR</b>										
(7) <b>PHIL AMOROSI</b>	2.00 0.00	X						0	0	0
<b>DIRECTOR</b>										
(8) <b>BETH SUMMERS</b>	2.00 0.00	X						0	0	0
<b>DIRECTOR</b>										
(9) <b>JUSTIN SIMON</b>	2.00 0.00	X						0	0	0
<b>DIRECTOR</b>										
(10) <b>JULIANNA MARTINEZ</b>	2.00 0.00	X						0	0	0
<b>DIRECTOR</b>										
(11) <b>MIKE PATTEN</b>	2.00 0.00	X						0	0	0
<b>DIRECTOR</b>										



**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(12) <b>MARK RICHWINE</b>	2.00									
<b>DIRECTOR</b>	0.00	<b>X</b>						0	0	0
(13) <b>GUILLERMO LOAIZA</b>	2.00									
<b>DIRECTOR</b>	0.00	<b>X</b>						0	0	0
(14) <b>GARY ROBERTS</b>	2.00									
<b>DIRECTOR</b>	0.00	<b>X</b>						0	0	0
(15) <b>ALLEN CARLSON</b>	40.00									
<b>EXECUTIVE DIRECTOR</b>	0.00			<b>X</b>				88,412	0	0
(16)										
(17)										
(18)										
(19)										
<b>1b Sub-total</b>								<b>88,412</b>		
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								<b>88,412</b>		

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

- 3** Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
<b>3</b>		<b>X</b>
<b>4</b>		<b>X</b>
<b>5</b>		<b>X</b>

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
<b>TAG CONSTRUCTION</b> 14802 <b>PHOENIX</b> AZ 85048	<b>S. 13TH PLACE</b> <b>CONTRACTOR</b>	305,893
<b>T N T HAHN DEVELOPERS</b> 11207 <b>GOODYEAR</b> AZ 85338	<b>S. INDIAN WELLS DRIVE</b> <b>CONTRACTOR</b>	186,887

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

**Part VIII Statement of Revenue**Check if Schedule O contains a response to any question in this Part VIII. ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	1,107,866			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	93,674			
	g Noncash contributions included in lines 1a-1f		\$ 53,000			
	<b>h Total. Add lines 1a-1f</b>		<b>1,201,540</b>			
<b>Program Service Revenue</b>	2a PROGRAM FEES	Busn. Code	24,000	24,000		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	<b>g Total. Add lines 2a-2f</b>		<b>24,000</b>			
	<b>Other Revenue</b>	3 Investment income (including dividends, interest, and other similar amounts)		25		
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
6a Gross rents		(i) Real 69,746 (ii) Personal				
b Less rental exps						
c Rental inc or (loss)		69,746				
<b>d Net rental income or (loss)</b>			69,746			69,746
7a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other				
b Less cost or other basis & sales exps						
c Gain or (loss)						
<b>d Net gain or (loss)</b>						
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18		a				
b Less direct expenses		b				
<b>c Net income or (loss) from fundraising events</b>						
9a Gross income from gaming activities See Part IV, line 19		a				
b Less direct expenses		b				
<b>c Net income or (loss) from gaming activities</b>						
10a Gross sales of inventory, less returns and allowances		a	1,566,319			
b Less cost of goods sold	b	1,812,331				
<b>c Net income or (loss) from sales of inventory</b>		-246,012	-246,012			
<b>Miscellaneous Revenue</b>		<b>Busn. Code</b>				
11a						
b						
c						
d All other revenue						
<b>e Total. Add lines 11a-11d</b>						
<b>12 Total revenue. See instructions</b>		<b>1,049,299</b>	<b>-222,012</b>	<b>0</b>	<b>69,771</b>	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	88,412	72,816	15,596	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	269,825	222,230	47,595	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	57,279	44,817	12,462	
11 Fees for services (non-employees)				
a Management				
b Legal	2,039	1,411	628	
c Accounting	27,320	23,866	3,454	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	15,029	14,717	312	
12 Advertising and promotion				
13 Office expenses	25,209	21,445	3,764	
14 Information technology				
15 Royalties				
16 Occupancy	30,259	27,337	2,922	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	3,560	3,428	132	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	14,138	13,589	549	
23 Insurance	14,829	13,604	1,225	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a DUES AND SUBSCRIPTIONS	12,915	11,773	1,142	
b EQUIPMENT RENTAL & MAINT	7,206	6,738	468	
c OTHER	2,546	515	2,031	
d PROGRAM SUPPLIES	1,058	948	110	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	571,624	479,234	92,390	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**Check if Schedule O contains a response to any question in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest bearing	190,967	1	148,003
	2 Savings and temporary cash investments	6,325	2	55,071
	3 Pledges and grants receivable, net	1,900	3	511,440
	4 Accounts receivable, net	106,147	4	36,781
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	23,199	7	22,979
	8 Inventories for sale or use	1,534,054	8	1,568,867
	9 Prepaid expenses and deferred charges	2,539	9	2,344
	10a Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	10a 3,856,422		
	b Less accumulated depreciation	10b 35,720		
		3,442,105	10c	3,820,702
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets See Part IV, line 11		15	476,608	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	5,307,236	16	6,642,795	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	2,845	17	100,949
	18 Grants payable	163,940	18	216,019
	19 Deferred revenue	507,940	19	826,643
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	525,000	24	659,816
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	471,938	25	726,120
	26 <b>Total liabilities.</b> Add lines 17 through 25	1,671,663	26	2,529,547
	<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
27 Unrestricted net assets		207,367	27	151,869
28 Temporarily restricted net assets		3,428,206	28	3,961,379
29 Permanently restricted net assets			29	
Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
30 Capital stock or trust principal, or current funds			30	
31 Paid-in or capital surplus, or land, building, or equipment fund			31	
32 Retained earnings, endowment, accumulated income, or other funds			32	
33 <b>Total net assets or fund balances</b>		3,635,573	33	4,113,248
34 <b>Total liabilities and net assets/fund balances</b>		5,307,236	34	6,642,795

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,049,299
2	Total expenses (must equal Part IX, column (A), line 25)	2	571,624
3	Revenue less expenses Subtract line 2 from line 1	3	477,675
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,635,573
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	4,113,248

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

**NEWTOWN COMMUNITY DEVELOPMENT CORP**

Employer identification number

**86-0793043**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state.
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I      b ☐ Type II      c ☐ Type III—Functionally integrated      d ☐ Type III—Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	128,086	209,380	1,060,068	1,658,425	1,201,540	4,257,499
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge	13,200	11,000				24,200
<b>4</b> <b>Total.</b> Add lines 1 through 3	141,286	220,380	1,060,068	1,658,425	1,201,540	4,281,699
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6</b> <b>Public support.</b> Subtract line 5 from line 4						4,281,699

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4	141,286	220,380	1,060,068	1,658,425	1,201,540	4,281,699
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	664	75	39,207	58,572	69,771	168,289
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11</b> <b>Total support.</b> Add lines 7 through 10						4,449,988
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	1,590,319

**13** **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	96.22%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14	<b>15</b>	96.91%

**16a** **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☒**b** **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐**17a** **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► ☐**b** **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► ☐**18** **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6</b> <b>Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8</b> <b>Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13</b> <b>Total support.</b> (Add lines 9, 10c, 11, and 12)						
<b>14</b> <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <span style="float: right;">► <input type="checkbox"/></span>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17	<b>18</b>	%

**19a** **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐

**b** **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► ☐

**20** **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐



**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information (See instructions).

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**SCHEDULE D  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2012****Open to Public  
Inspection**

Name of the organization

Employer identification number

**NEWTOWN COMMUNITY DEVELOPMENT CORP****86-0793043****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	► \$
(ii) Assets included in Form 990, Part X	► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items.

a Revenues included in Form 990, Part VIII, line 1	► \$
b Assets included in Form 990, Part X	► \$

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

**3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- ☐ **a** Public exhibition  
☐ **b** Scholarly research  
☐ **c** Preservation for future generations  
☐ **d** Loan or exchange programs  
☐ **e** Other

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

**b** If "Yes," explain the arrangement in Part XIII and complete the following table

- c** Beginning balance  
**d** Additions during the year  
**e** Distributions during the year  
**f** Ending balance

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

**2a** Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10

- 1a** Beginning of year balance  
**b** Contributions  
**c** Net investment earnings, gains, and losses  
**d** Grants or scholarships  
**e** Other expenditures for facilities and programs  
**f** Administrative expenses  
**g** End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>f</b>					
<b>g</b>					

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a** Board designated or quasi-endowment ☐ %  
**b** Permanent endowment ☐ %  
**c** Temporarily restricted endowment ☐ %  
 The percentages in lines 2a, 2b, and 2c should equal 100%

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i)** unrelated organizations  
**(ii)** related organizations

**b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**4** Describe in Part XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land	3,811,379			3,811,379
<b>b</b> Buildings				
<b>c</b> Leasehold improvements		2,100	2,100	
<b>d</b> Equipment		42,943	33,620	9,323
<b>e</b> Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				3,820,702

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12 )		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 13 )		

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) <b>PROPERTIES HELD FOR RENT</b>	<b>476,608</b>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15 )	<b>476,608</b>

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>LINE OF CREDIT</b>	<b>721,504</b>
(3) <b>PREPAID LEASE FEES</b>	<b>4,616</b>
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25 )	<b>726,120</b>

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	<b>2,861,630</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII )	<b>2d</b>	<b>1,812,331</b>
<b>e</b>	Add lines 2a through 2d	<b>2e</b>	<b>1,812,331</b>
<b>3</b>	Subtract line 2e from line 1	<b>3</b>	<b>1,049,299</b>
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII )	<b>4b</b>	
<b>c</b>	Add lines 4a and 4b	<b>4c</b>	
<b>5</b>	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 )	<b>5</b>	<b>1,049,299</b>

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	<b>2,383,955</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII )	<b>2d</b>	<b>1,812,331</b>
<b>e</b>	Add lines 2a through 2d	<b>2e</b>	<b>1,812,331</b>
<b>3</b>	Subtract line 2e from line 1	<b>3</b>	<b>571,624</b>
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII )	<b>4b</b>	
<b>c</b>	Add lines 4a and 4b	<b>4c</b>	
<b>5</b>	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 )	<b>5</b>	<b>571,624</b>

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART XI, LINE 2D - REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER**

**COST OF PROPERTIES SOLD** \$ **1,812,331**

**PART XII, LINE 2D - EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER**

**COST OF PROPERTIES SOLD** \$ **1,812,331**

**Part XIII** **Supplemental Information** (continued)

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**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

► Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

OMB No 1545-0047

**2012**

**Open To Public  
Inspection**

Name of the organization

**NEWTOWN COMMUNITY DEVELOPMENT CORP**

Employer identification number

**86-0793043**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential	<b>X</b>	<b>1</b>	<b>53,000</b>	<b>PER APPRAISAL</b>
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ( )				
26 Other ► ( )				
27 Other ► ( )				
28 Other ► ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

**29**

- 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?
- b If "Yes," describe the arrangement in Part II
- 31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?
- 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?
- b If "Yes," describe in Part II
- 33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

	Yes	No
30a		<b>X</b>
31		<b>X</b>
32a		<b>X</b>

**Part II**

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information

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**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2012**

Open to Public  
Inspection

Employer identification number  
**86-0793043**

**NEWTOWN COMMUNITY DEVELOPMENT CORP**

FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS  
THE ARTICLES OF INCORPORATION AND THE BYLAWS WERE AMENDED EFFECTIVE AUGUST  
26, 2012. SEE ATTACHED DOCUMENTS.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990  
THE FORM 990 IS REVIEWED BY THE EXECUTIVE DIRECTOR PRIOR TO FILING. THE  
EXECUTIVE DIRECTOR FORWARDS TO TREASURER FOR REVIEW AND APPROVAL.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY  
POLICY IS PROVIDED TO AND SIGNED BY ALL OFFICERS, DIRECTORS, AND EMPLOYEES.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL  
BOARD OF DIRECTORS APPROVES ANNUAL BUDGET INCLUDING SALARIES AND PROPOSED  
SALARY CHANGES.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS  
BOARD OF DIRECTORS APPROVES ANNUAL BUDGET INCLUDING SALARIES AND PROPOSED  
SALARY CHANGES.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION  
GOVERNING DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9 - RECONCILIATION OF CHANGES - OTHER

COST OF PROPERTIES SOLD \$ 1,812,331

COST OF PROPERTIES SOLD \$ -1,812,331

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>Acquired after 6/30/75</u>	<u>US Obs (\$ or %)</u>
INTEREST INCOME	\$ 25		14			
TOTAL	<u>\$ 25</u>					

## Federal Statements

Form 990, Part IX, Line 11g - Other Fees for Service (Non-employee)

Description	Total Expenses	Program Service	Management & General	Fund Raising
CONTRACT SERVICES	\$ 15,029	\$ 14,717	\$ 312	\$
TOTAL	\$ 15,029	\$ 14,717	\$ 312	\$ 0

## Federal Statements

Schedule A, Part II, Line 1(e)

Description	Amount
GOVERNMENT GRANTS OR CONTRIBUTIONS OTHER	\$ 1,107,866
PAM HOUSE FUND II, LLC CASH CONTRIBUTION	12,674
ZIONS MANAGEMENT SERVICES CASH CONTRIBUTION	23,000
JP MORGAN CHASE & CO CONDO	5,000
TOTAL	53,000
	<u>\$ 1,201,540</u>

Schedule A, Part II, Line 8(e)

Description	Amount
INTEREST INCOME	\$ 25
RENTAL	69,746
TOTAL	<u>\$ 69,771</u>

Schedule A, Part II, Line 12

Description	Amount
PROGRAM FEES	\$ 24,000
PROPERTY SALES	1,566,319
TOTAL	<u>\$ 1,590,319</u>

**SECOND AMENDED AND RESTATED BYLAWS  
OF  
NEWTOWN COMMUNITY DEVELOPMENT CORPORATION  
an Arizona Nonprofit Corporation**

**RECITALS**

- A. Community L.T. of Tempe, Incorporated, an Arizona nonprofit corporation with and into Northwest Tempe Neighborhoods CDC, an Arizona nonprofit corporation, in connection with Northwest Tempe Neighborhoods CDC changed its name to Newtown Community Development Corporation (the "Corporation").

Upon their Merger, Amended and Restated Bylaws of Newtown Community Development Corporation became effective as of immediately after the effective date of the Merger.

The Board of Directors has adopted amendments to the Amended and Restated Bylaws of Newtown Community Development Corporation that are set forth below as the Second Amended and Restated Bylaws of Newtown Community Development Corporation which are effective as of June 26, 2012.

**ARTICLE I: NAME AND PURPOSE**

1. **Name.** The name of this corporation shall be Newtown Community Development Corporation, hereinafter referred to as the "Corporation."
2. **Organization.** The Corporation is a nonprofit corporation organized under the laws of the State of Arizona.
3. **Purpose.** The purpose of the Corporation within its Service Area (as defined in Article III below) shall be to:
  - A. Encourage and promote the industrial, economic, entrepreneurial, commercial and civic development or redevelopment of a community or area, including the provision of housing that is decent and affordable and community economic development projects that benefit low- and moderate-income individuals and communities;
  - B. To acquire, own and dispose of land under the charitable Community Land Trust model, for the benefit of its Service Area and in order to secure affordable access to land, housing and other real estate for residents of its Service Area;
  - C. To help preserve the economic and ethnic diversity in neighborhoods in its Service Area;

- D. Provide support services and training to help individuals and families to achieve and maintain homeownership, acquire other significant assets, and increase economic self-sufficiency; and
- E. Promote community building and social development, including provision of services and information, and leadership development and capacity building activities.

## **ARTICLE II: OFFICES**

1. **Offices.** The Corporation shall maintain its principal office in the City of Tempe, County of Maricopa, Arizona or such other place within its Service Area in the State of Arizona as determined by the Board of Directors or as the activities of the Corporation may require from time to time. The Corporation may also maintain offices at such other place or places, either within or without the State of Arizona, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time. The Corporation may transact its activities at such other offices with the same effect as that conducted at the principal office.
2. **Statutory Agent.** The Corporation shall have and continuously maintain a statutory agent that is either an individual who resides in the State of Arizona or such other entity as required by the Arizona Nonprofit Corporation Act (the "Act") § 10-3501.

## **ARTICLE III: SERVICE AREA**

1. **Service Area.** The Corporation shall conduct its activities in the State of Arizona, excluding the Counties of Greenlee, La Paz, Apache and Navajo and Federally-recognized Tribal Lands, as its service area.
2. **Contract Outside of Service Area.** The Board of Directors of the Corporation may authorize written contracts for services by this Corporation to and for entities outside of the defined service area of the Corporation without modifying the boundaries of the service area as defined by this Article.

## **ARTICLE IV: BOARD OF DIRECTORS**

1. **Number of Directors; Continuation.** The Board of Directors shall consist of no fewer than nine (9) and no more than eighteen (18) Directors, including elected officers. The individuals serving as members of the Board of Directors as of the effective date of the Merger shall continue as Directors for the duration of their respective terms, unless they resign or are removed.
2. **Composition of the Board.** Not less than fifty-one percent (51%) of the members of the Board of Directors of the Corporation shall be residents within the defined service area.
  - A. To maintain accountability to low- and moderate-income community members and to maintain status as a Community Housing Development Organization

(CHDO), the Corporation will maintain at least one-third of its Board's membership for residents of low-income neighborhoods within the service area, other low-income community residents, or elected representatives of low-income neighborhood organizations. No more than one third of the Board shall be Public Representatives.

- B. At least one (1) member of the Community Land Trust Advisory Board shall serve as a member of the Board of Directors. The Advisory Board member shall represent the interests of low- and moderate-income Community Land Trust homeowners and other interests of the Community Land Trust Advisory Board.
3. **Nomination and Election of Directors.** A Nominating Committee shall be approved by the Board of Directors. The Nominating Committee shall recommend candidates for available Board seats as determined per Sections 1 and 2 of this Article. The Community Land Trust Advisory Board shall be responsible for selecting its representative to the Board of Directors of the Corporation. Directors of the Corporation shall be elected at the Annual Meeting of the Board of Directors or appointed at any other meeting of the Board of Directors, considering Sections 2 and 3 of this Article. Directors shall be elected by a majority vote at the Annual Meeting, a quorum being assembled, in accordance with the following procedures:
- A. The slate of candidates shall be provided in writing to all members of the Board as constituted at least five (5) days prior to the scheduled election or appointment.
  - B. The Board shall cast their votes by ballot. A majority vote shall be sufficient to determine results.
  - C. The Chair shall appoint a committee of tellers, who shall count the ballots and report vote results immediately to the Board. The results shall be read into the minutes of the Board meeting.
4. **Vacancies.**
- A. **Election to Fill Vacancies.** If any Director vacates his or her term or is removed from the Board, the remaining Directors (though they may constitute less than a quorum) may elect a person to fill the vacancy, or may, by unanimous agreement, decide to leave the position vacant until the next Annual Meeting, provided the composition of the Board still satisfies the criteria in Article IV Sections 1 and 2.
  - B. **Term of Replacements.** Replacement Directors elected by the Board shall serve until the next Annual Meeting, at which time the position shall be filled by a person elected, according to the procedures described in Sections 5 of this Article, to serve out the remaining term of the person who has vacated the position or, in the event such term has expired, to serve a full term.
5. **Term of Directors.** Except as otherwise provided in these Bylaws, each Director shall serve a full term of three years.

- A. **Commencement of Terms.** The term of office of a regularly elected Director shall commence at the adjournment of the Annual Meeting in which he or she is elected. The term of office of a Director elected by the Board to fill a vacancy shall begin at the time of this or her acceptance of the position.
  - B. **Re-Election.** No person shall serve as a Director for more than three consecutive elected terms.
6. **Resignation.**
- A. Any Director may resign at any time by giving written notice to the Chair. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the Chair.
  - B. A Director shall be considered to have given notice of resignation and his or her position shall be declared vacant by the Board of Directors if he or she fails to attend three consecutive meetings of the Board with the exception of emergency meetings, unless good cause for absence and continuing interest in participation on the Board are recognized by the Board. When a Director has failed to attend three consecutive meetings, the Chair shall notify him or her in writing that, at the next regular Board meeting, his or her position will be declared vacant unless the Board determines that there has been good cause for the Director's absences and that the Director continues to be interested in participating on the Board of Directors. The notification by the Chair shall be mailed no later than seven days prior to the Board meeting at which the position may be declared vacant. At this meeting, the Director in question shall be given the opportunity to show good cause for absence from meetings and continuing interest in participating on the Board. The resignation of a Director who has missed three consecutive meetings shall not become effective until the Board has declared the position vacant as provided herein.
7. **Removal of Directors.** A Director of the Corporation may be removed for good cause when such Director is judged to have acted in a manner seriously detrimental to the Corporation. However, before such removal can occur, the following procedure must be followed:
- A. Written charges specifying the conduct considered to be detrimental must be signed by at least three (3) Directors of the Corporation and submitted to the Chair (or, if the Chair is the Director charged, to the Vice Chair). Any Directors of the Corporation may submit such charges.
  - B. The Chair (or Vice Chair) shall deliver or mail a copy of the charges to the Director charged.
  - C. A Special Committee consisting of three (3) Directors of the Corporation shall be created to consider the charges. One member of the Special Committee shall be selected by the Board of Directors, but without the participation of the Director



charged, within ten (10) days following the delivery or mailing of the charges to the Director charged. In making its selection, the Board shall endeavor to select a person who will consider the charges without bias. No later than ten (10) days following the Board's selection of the first member of the Special Committee, a second member may be selected by the Director charged. In the event that the Director charged fails to select a second member of the Special Committee within ten (10) days, the Board may select a second member who, in the judgment of the Board, will consider the charges without bias. Within ten (10) days following the selection of the second member of the Special Committee, the first and second members shall select a third member of the Special Committee. If the first and second members cannot agree upon a third member within this ten-day period, the Board shall select a third member.

- D. The Special Committee shall hold a hearing, at which both the Director charged and the Directors who have filed charges may present evidence in the presence of the other. Following the hearing, the Special Committee shall prepare a written report of its findings and its recommendation for or against removal. The recommendation shall be based on a majority vote if consensus cannot be reached. The report shall contain a statement of how each member of the Special Committee voted. The report shall be completed and submitted to the Chair of the Corporation no later than one month following the selection of the third member of the Special Committee.
- E. If the Special Committee recommends removal of the Director, the recommendation shall be presented to the Board, which shall then have sole authority to decide the question of removal. A Special meeting for this purpose may be called, or written ballots may be distributed, by the Chair for a time or determination no later than one month following the Chair's receipt of the Special Committee's recommendation for removal. Notice of the Special meeting, or the distribution of written ballots, shall include a complete copy of the committee's report.

#### **8. Meetings of the Board of Directors.**

- A. **Notice of Meetings.** Except as provided below for emergency meetings, notice of a Board meeting shall be sent to all Directors at least five days prior to the meeting. Notice of every meeting shall include an agenda for the meeting.
- B. **Waiver of Notice.** Any Director may waive any notice required by these Bylaws. Any Director who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he or she requests that his or her protest be recorded in the minutes of the meeting.
- C. **Annual Meeting.** The Annual Meeting of the Board of Directors shall be held in June.

- D. **Regular Meetings.** The Board of Directors shall meet no less often than once every two months, at such times and places as the Board may establish.
- E. **Special Meetings and Emergency Meetings.** Special meetings may be called by the Chair or by any three Directors of the Corporation. Notice must be given as provided above, unless any three Directors determine that the matter at hand constitutes an emergency. When so determined, an Emergency Meeting may be called on one-day notice. Notice of Emergency Meetings, including an announcement of the agenda, shall be given by telephone, email, facsimile or in person to all Directors. At any Special or Emergency Meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Directors are present at the meeting and unanimously agree to take action on other matters.
- F. **Action Without a Meeting.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all Directors of the Board or committee, as the case may be, consent to the action in writing (including email) and the writing or writings are filed with the minutes of proceedings of the Board or committee. Actions so taken are effective upon the signature of the last Director.
- G. **Quorum.** At any meeting of the Board, a quorum shall consist of a majority of the Board of Directors.
- H. **Decision-Making.** The Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the Directors present and voting, a quorum being assembled, except as otherwise provided in these Bylaws.
- I. **Minutes.** Minutes of all Board meetings shall be recorded by the Secretary or by such other person as the Board may designate, and shall be approved by the Board at the next Board meeting. All minutes of Board meetings shall be kept on permanent record by the Corporation and shall be open for inspection by any Director of the Corporation.
- J. **Deemed Approval.** A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless (1) the director objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or transacting business at the meeting, (2) his or her dissent or abstention from the action taken is entered in the minutes of the meeting, or (3) he or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation before 5:00 p.m. on the next business day after the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

K. **Proxy.** Any director may appoint a proxy to act in his or her stead at a meeting or meetings of the Board of Directors, to the extent permitted by law. The appointment of a proxy is effective upon delivery to the Secretary of the corporation and shall be effective for one month from the date of such delivery unless a different period is expressly provided in the appointment form. The corporation may accept any vote or action by a proxy as that of the director appointing the proxy, unless the proxy's authority is expressly limited in the appointment document or written notice of the director's death or incapacity is received by the Secretary of the Corporation before the proxy exercises its authority.

9. **Duties of the Board of Directors.** The Board of Directors shall carry out the purposes of the Corporation and be responsible for the general management of the affairs of the Corporation in accordance with these Bylaws. In addition to the power and authority granted to the Board of Directors under the laws of the State of Arizona, specifically, the Board shall have the power of authority to:

- A. Adopt an annual budget prior to the beginning of each fiscal year, and approve any expenditures not included in the budget.
- B. Select all officers of the Corporation.
- C. Supervise the activities of all officers, agents, and committees of the Corporation in the performance of their assigned duties and investigate any possible conflicts of interest within the Corporation.
- D. Adopt and implement personnel policies providing for the firing, supervision, and evaluation of employees.
- E. Provide for the deposit of funds in accordance with Article XII of these Bylaws.
- F. Determine by whom and in what manner deeds, leases, contracts, checks, drafts, and endorsements, notes and other instruments shall be signed on behalf of the Corporation.
- G. Authorize the Corporation to Acquire such parcels of land, with or without buildings and other improvements, through donation, purchase, or otherwise, as the Board shall determine that it is useful and prudent to acquire in furtherance of the purposes of the Corporation.
- H. Authorize the Corporation to convey the right to use land, through leases or other limited conveyances, in accordance with the provision of Articles VIII and IX of these Bylaws.
- I. Authorize the Corporation to convey ownership of housing and other improvements on the Corporation's land to qualified lessees, as possible, in accordance with the provisions of Articles VIII and IX of these Bylaws.

- J. Provide for the purchase of housing and other improvements on the Corporation's land from lessees who wish to sell or whose leases are terminated, at prices based on the "resale formula," in accordance with Article IX of these Bylaws.
  - K. Cause the Corporation to develop the resources necessary for the operation of the Corporations and for the acquisition and development of land and housing.
  - L. Supervise and review the sound management of the Corporation's finances.
10. **Power of the Board of Directors.** In addition to the power to carry out the duties enumerated above, the Board of Directors shall have the power to:
- A. Appoint and discharge advisors and consultants.
  - B. Create such committees as are necessary or desirable to further the purposes of the Corporation. No committee may take action on behalf of the Corporation except as authorized by the Board of Directors.
  - C. Approve the borrowing and lending of money as necessary to further the purposes of the Corporation and in accordance with Article XII, Section 4 of these Bylaws.
  - D. Exercise all other powers necessary to conduct the affairs and further the purposes of the corporation in accordance with the Articles of Incorporation and these Bylaws.
11. **Limitation on the Powers of the Board of Directors.** Action taken by the Board of Directors on any motion for the removal of Directors, the sale of land, the establishment or alteration of the "resale formula," the amendment of the Articles of Incorporation or these Bylaws, or dissolution of the Corporation shall not become effective unless and until such action is approved by a two-thirds (2/3) vote of a quorum of the Board.

#### **ARTICLE V: OFFICERS & EXECUTIVE DIRECTOR**

- 1. **Designation.** The officers of the Corporation shall be: Chair, Vice Chair, Secretary, and Treasurer. The Corporation also may appoint assistant secretaries and assistant treasurers. In addition to the officers of the Corporation, the Corporation shall have an Executive Director, who shall have such duties, responsibility and authority as the Board of Directors shall determine from time to time.
- 2. **Election.** The officers of the Corporation shall be elected by a majority vote of the Board of Directors, from among themselves, at the Annual Meeting of the Board. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.
- 3. **Tenure.** The officers shall hold office until the next Annual Meeting of the Board of Directors after their election, unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Directors. Any

officer who ceases to be a member of the Board of Directors shall thereby cease to be an officer.

4. **Removal from Office.** The officers shall serve at the direction of the Board of Directors and may be removed from office at any time by an affirmative vote of two thirds of the entire Board of Directors.
5. **Resignation from Office.** Any officer may resign his or her office at any time by giving notice of his or her resignation to the Corporation. Such resignation shall take effect at the time specified therein or, if no time be specified therein, at the time of the receipt thereof, and the acceptance thereof shall not be necessary to make it effective.
6. **Duties of the Chair.** The Chair shall:
  - A. Preside at all meetings of the Board of Directors.
  - B. Consult with the other officers and the committees of the Corporation regarding the fulfillment of their duties.
  - C. Assure that an agenda is prepared for every meeting of the Board of Directors.
  - D. Give notice to any Director who has been absent from three consecutive regular meetings, as required by these Bylaws.
  - E. Call special meetings of the Board of Directors when petitioned to do so in accordance with these Bylaws.
  - F. Carry out the duties assigned to the Chair regarding the removal of a Director.
  - G. Perform such other duties as the Board of Directors may assign.
7. **Duties of the Vice Chair:** The Vice Chair shall:
  - A. Perform all duties of the Chair in the event that the Chair is absent or unable to perform these duties.
  - B. Perform those duties assigned to the Chair regarding the resignation or removal of a Director when the Chair is disqualified from performing these duties.
  - C. Perform such other duties as the Board of Directors may assign.

Unless the Board of Directors provide otherwise, the Chair shall have the duties, responsibilities of authority of the office of president of an Arizona corporation.
8. **Duties of the Secretary.** The Secretary shall:
  - A. Assure that a list of Directors and their mailing addresses is maintained by the Corporation.

- B. Assure that proper notice of all meetings of the Board of Directors is given.
  - C. Assure that motions and votes in meetings of the Board are accurately represented to those present and are accurately recorded in the minutes.
  - D. Assure that minutes of all meetings of the Board of Directors are recorded and kept on permanent record.
  - E. Perform such other duties as the Board of Directors may assign.
9. **Duties of the Treasurer.** The Treasurer shall oversee the finances of the Corporation. Specifically, the Treasurer shall:
- A. Assure that the financial records of the Corporation are maintained in accordance with sound accounting practices.
  - B. Assure that funds of the Corporation are deposited in the name of the Corporation in accordance with these Bylaws.
  - C. Assure that all deeds, title papers, leases, and other documents establishing the Corporation's interest in property and rights in particular matters are maintained in such manner as the Board directs.
  - D. Assure that all money owed to the Corporation is duly collected and that all gifts of money or property to the Corporation are duly received.
  - E. Assure the proper disbursement of such funds as the Board of Directors may order or authorize to be disbursed.
  - F. Assure that accurate financial reports (including balance sheets and revenue and expense statements) are prepared and presented to the Board at the close of each quarter of each fiscal year.
  - G. Assure that such reports and returns as may be required by various government agencies are prepared and filed in a timely manner.
  - H. Assure that an annual budget is prepared and presented to the Board for its approval prior to the beginning of each fiscal year.

## **ARTICLE VI: COMMITTEES**

1. **General.** In addition to the following committees, the Board of Directors may appoint such standing or special committees as may be needed to carry out the goals and purposes of the Corporation. The Executive Director of the Corporation shall participate in all standing Committees and special Committees as directed by the Board.
2. The **Executive Committee** shall consist of the officers of the Corporation and shall have the authority to act on behalf of the Board on those actions that cannot await the next

scheduled Board meeting. Such action shall be reported to the Board at its next scheduled meeting for ratification.

3. **The Financial Oversight Committee** shall consist of the Treasurer, the Executive Director and other Board Members as appointed by the Board of Directors and shall review, audit and make policy recommendations to the Board regarding the financial operations, systems, procedures and transactions of the Corporation.
4. **The Nominating Committee** shall consist of at least three (3) Board Members as appointed by the Board of Directors and shall perform the duties described in Article IV, Section 3.

## **ARTICLE VII: ADVISORY BOARDS**

**General.** The Corporation may have one or more an Advisory Boards, the members of which shall be appointed annually by the Board of Directors. Unless the Board of Directors provide otherwise, the Corporation shall have a HOME Project Advisory Board and a Community Land Trust (CLT) Advisory Board. The members of each Advisory Board shall, upon request, advise the Board of Directors on matters affecting the affairs of the Corporation and assist in such general and specific duties in the management and furtherance of the Corporation as provided by the Board of Directors. An Advisory Board member may be removed at any time by a majority vote of the Board of Directors as constituted. The members of an Advisory Board are not, solely by reason of such membership, a member of the Board of Directors and the Corporation. Members of an Advisory Board do not have the authority to vote at meetings of the Board of Directors.

1. **HOME Project Advisory Board.** The Corporation shall have a HOME Project Advisory Board to enable low-income program beneficiaries to advise the Corporation in all of its decisions regarding the development and management of affordable housing projects.
  - A. The Corporation's Executive Director shall be responsible for selecting and facilitating a committee of at least 3 low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects.
  - B. The selection of committee persons shall be from the community to be served by the proposed project and may include current or past participants in any of the programs offered by the Corporation.
  - C. The committee shall be furnished with adequate information to make informed responses to the issues and options to be decided upon.
  - D. The Executive Director shall cause minutes to be taken of the committee's deliberations and recommendations which shall be reported to the Board prior to making its final decision on such projects.

E. The Executive Director shall determine the frequency and duration of the meetings of the committee. At least one meeting will be convened prior to acquisition and/or construction of the project. If appropriate, there shall be at least one meeting convened after completion regarding any management policies to be carried out. Additional meetings shall be convened prior to any major changes in development plans or management policies of the project and as requested by the Board.

2. **Community Land Trust (CLT) Advisory Board.** The Corporation shall have a Community Land Trust (CLT) Advisory Board to represent the interests of low- and moderate income Community Land Trust homeowners and others who are interested in promoting permanently affordable housing opportunities and to provide guidance and recommendations to the Corporation regarding the operation and management of the Community Land Trust program.

- A. **Initial Advisory Board.** The initial CLT Advisory Board shall consist of the Community Land Trust of Tempe (CLTT) Board of Directors at the effective time the merger of the CLTT and the Corporation is completed.
- B. **Number and Term.** The CLT Advisory Board shall consist of no fewer than six (6) and no more than eighteen (18). CLT Advisory Board Members shall establish guidelines for term limits and board composition.
- C. **Qualifications.** CLT Advisory Board Members shall be CLT homeowners or other persons living or working within the boundaries of the Service Area who are eighteen years of age or older.

## **ARTICLE VIII: COMMUNITY LAND TRUST**

- 1. **Stewardship of Land.** The Board of Directors shall maintain a Community Land Trust program to acquire and hold land for the benefit of the community and to provide secure affordable access to land, housing and other real estate for community residents.
- 2. **Principles of Land Use.** The Board of Directors shall oversee the use of land owned by the Corporation and shall cause the Corporation to convey the right to use such land so as to facilitate access to land and affordable housing by low income and moderate income people. In so doing, the Board shall be guided by the following principles:
  - A. The Board shall consider the needs of potential lessees and shall attempt to effect a just distribution of land use rights.
  - B. The Board shall convey land use rights on terms that will preserve affordable access to land and housing for future low income and moderate income residents of the community.
  - C. The Board shall convey land use rights in a manner that will promote the long-term well-being of the community.



3. **Encumbrance of Land.** The decision to mortgage or other wise encumber land owned by the Corporation shall require the approval of the Board of Directors and the consent of any parties to whom such land is leased.
4. **Sale of Land.** The sale of land held in the Community Land Trust does not conform with the philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in extraordinary circumstances when the sale is considered a necessary means of achieving the purposes of the Corporation. In such extraordinary circumstances, land may be sold only with:
  - A. An affirmative vote by at least two thirds of a quorum of Board of Directors at a regular or special Board meeting, provided that written notice of such meeting has described the proposed sale and the reasons for the proposal, and;
  - B. The written consent of any persons to whom the land in question is leased.

#### **ARTICLE IX: OWNERSHIP OF HOUSING AND OTHER IMPROVEMENTS LOCATED ON THE CORPORATION'S LAND AND LIMITATIONS ON RESALE**

1. **Ownership of Housing and Improvements on the Corporation's Land.** In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land by low-income and moderate-income people. These measures may include, but are not limited to, provisions for the sale of housing to such people; provisions for financing the acquisition of housing by such people, including direct loans by the Corporation; and provision for grants of other subsidies that will lower the cost of housing for such people.
2. **Purchase by the Corporation of Property Located on the Corporation's Land.** It is a purpose of the Corporation to preserve the affordability of housing and other improvements for low-income and moderate-income people in the future. Accordingly, when land-use rights are leased, the Board of Directors shall assure that, as a condition of the lease, the Corporation is granted the right to purchase any lessee-owned housing or other improvements on the land, for a price determined by the "resale formula," at such time as the lessees wish to sell or the lease is terminated.
3. **The Resale Formula.** For the purpose of preserving affordability, the Corporation shall restrict the price that lessees may receive when they sell housing and other improvements located on the land leased to them by the Corporation. A policy establishing such restrictions in the form of a "resale formula" shall be adopted by the Board of Directors in accordance with the following principles:
  - A. To the extent possible, the formula shall allow the seller to receive a price based on the value that the seller has actually invested in the property being sold.

- B. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low-income and moderate-income people at the time of the transfer of ownership.
  - C. No land of the Corporation shall be leased or otherwise conveyed until a Resale Formula has been duly adopted by the Corporation.
- 4. **Procedures for Adoption of the Resale Formula.** The adoption of the resale formula shall require an affirmative vote by at least two thirds of the entire Board of Directors at any regular or special Board meeting, provided that written notice of such meetings has set forth the proposed formula with an explanation thereof.
  - 5. **Procedures for Altering the Resale Formula.** The consistent long-term application of a resale formula is essential to the purposes of the Corporation. Accordingly, the resale formula shall not be altered unless the Board of Directors of the Corporation determine that the current formula presents an obstacle to the achievement of the purposes of the Corporation. In such an event, the resale formula may be altered only by a two-thirds vote of the entire Board of Directors as described above for the adoption of the formula.

#### **ARTICLE X: AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS**

The Articles of Incorporation may be amended and these Bylaws may be amended or may be repealed and new Bylaws adopted only by an affirmative vote by two thirds of a quorum of the Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof.

#### **ARTICLE XI: DISSOLUTION**

A decision to dissolve the Corporation and to distribute the Corporation's assets in a particular manner in accordance with the Amended and Restated Articles of Incorporation shall require an affirmative vote by two thirds of a quorum of the Board of Directors at any regular or special Board meeting, provided that written notice of such meeting has included a full description of the plan of dissolution.

#### **ARTICLE XII: MISCELLANEOUS PROVISIONS**

- 1. **Fiscal Year.** The fiscal year of the Corporation shall begin on July 1 of each year and shall end on June 30 of each year.
- 2. **Deposit of Funds.** All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Directors from time to time may determine.
- 3. **Checks, etc.** All checks, drafts, endorsements, notes and evidences of indebtedness of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsements for

deposits to the credit of the Corporation shall be made in such manner as the Board of Directors from time to time may determine.

4. **Loans.** No loans or advances shall be contracted on behalf of the Corporation, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions.
5. **Contracts.** Any officer or agent of the Corporation specifically authorized by the Board of Directors may, on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of the Corporation.
6. **Discrimination.** This Corporation shall not discriminate nor show any preference for or against any person or entity based upon age, race, color, religion, spiritual practice, sex, gender, sexual orientation, handicap or national origin.
7. **Parliamentary Authority.** In all particulars not provided for in these Bylaws, the procedural authority for all actions taken in Corporation meetings shall reside in Robert's Rules of Order, Newly Revised (latest ed.).
8. **Indemnification.** Any person (any the 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 disbursements, incurred by him or her (or 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 to the maximum extent permitted by A.R.S. §10-3851 et seq., except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or officer is liable for negligence or misconduct in the performance of his or her duties.
9. **Conflicts of Interest.** No contract or other transaction between the Corporation and its Directors or officers or between the Corporation and any other corporation, firm, association, or entity in which its Directors or officers are members, directors, or officers or are financially interested shall be either void or voidable because of the relationship or interest or because the Director or officer is present at the meeting of the Board or of the committee of the Board that authorizes, approves, or ratifies such contract or transaction or because his, her or their votes are counted for such purpose, if either of the following apply:
  - A. The fact of such relationship or interest is disclosed or known to the Board or to the committee thereof which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of the interested directors.

- B. The contract or transaction is fair and reasonable to the corporation at the time the contract or transaction is authorized, approved, or ratified in the light of circumstances known to those entitled to vote on the matter at that time.

Common or interested Directors or officers may be counted in determining the presence of a quorum at a Meeting of the Board or Committee which authorizes, approves or ratifies the contract or transaction.

### **ARTICLE XIII: PROHIBITION AGAINST SHARING CORPORATE EARNINGS**

No Director, officer, employee, member of a committee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes or reimbursement for necessary and reasonable out-of-pocket expenses as shall be fixed by the Board of Directors. No such person or persons shall be entitled to share in the distribution of any of the Corporation's assets upon the dissolution of the Corporation. Upon such dissolution or winding up of the affairs of the Corporation, the Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, either dispose of all of the assets of the Corporation exclusively for one or more exempt purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law (the "Code"), or distribute the assets to one or more organizations that shall then qualify as exempt organizations under section 501(c)(3) of the Code. Any such assets not so disposed of or distributed shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for charitable, scientific, or educational purposes within the meaning of section 501(c)(3) of the Code or to such organizations as said court shall determine are organized and operated exclusively for such purposes.

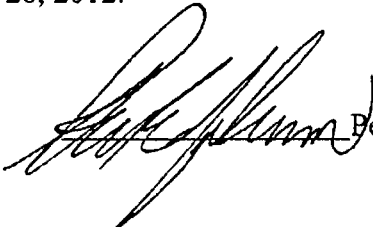
### **ARTICLE XIV: EXEMPT ACTIVITIES**

Notwithstanding any other provision of these Bylaws, no Director, officer, employee, or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization described in section 501(c)(3) of the Code or an organization contributions to which are deductible under section 170(c)(2) of the Code. In no event shall the Corporation, as any substantial part of its activities, carry on propaganda or otherwise attempt to influence legislation, except as is otherwise provided in section 501(h) of the Code. Nor shall the Corporation participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

## CERTIFICATE OF BYLAWS

The undersigned certifies that he or she is the Secretary of Newtown Community Development Corporation, an Arizona nonprofit corporation and as such certifies that the foregoing is a true, accurate and complete set of the Bylaws of said Corporation, as duly amended by the Board of Directors of said Corporation as of June 26, 2012.

8/26/2012  
Date

 Ben Johnson, Secretary

**SECOND AMENDED & RESTATED  
ARTICLES OF INCORPORATION  
OF  
NEWTOWN COMMUNITY DEVELOPMENT CORPORATION  
(formerly Northwest Tempe Neighborhoods CDC)**

**FIRST:**        The name of the Corporation is Northwest Tempe Neighborhoods CDC.  
The new name of the corporation as of the effective date of these Amended and Restated Articles of Incorporation is: NEWTOWN COMMUNITY DEVELOPMENT CORPORATION.

**SECOND:**      The purposes for which the corporation is organized are educational and charitable, including but not limited to the following activities, which the corporation intends to conduct in the State of Arizona, except in the counties of Greenlee, La Paz, Navajo and Apache or on Federally-recognized Tribal Lands ("Service Area"), indefinitely:

(a)      Encourage and promote the industrial, economic, entrepreneurial, commercial and civic development or redevelopment of a community or area within its Service Area, including the provision of housing that is decent and affordable and community economic development projects that benefit low- and moderate-income individuals and communities;

(b)      To acquire, own and dispose of land under the charitable Community Land Trust model for the benefit of its Service Area, in order to secure affordable access to land, housing and other real estate for residents within its Service Area;

(c)      To help preserve the economic and ethnic diversity in neighborhoods within its Service Area;

(d)      Provide support services and training to help individuals and families to achieve and maintain homeownership, acquire other significant assets, and increase economic self-sufficiency;

(e)      Promote community building and social development, including provision of services and information, and leadership development and capacity building activities.

**THIRD:** The powers of the corporation are (in addition to those granted by law):

(a) To act as trustee of trust funds established to further the purposes of the corporation;

(b) To make, receive, accept, invest, reinvest and expend gifts, donations, contributions, devises, and bequests of real and personal property, and the use or income thereof, and services to, and from individuals, corporations, trusts, community chests, funds, foundations, municipal corporation, or political subdivisions created or organized in or by the United States of America or any state, territory, or possession of the United States of America or any political or municipal subdivision thereof, provided that any such gifts and contributions shall be made only to federal, state, or local governments or subdivisions, departments, or agencies thereof for the benefit of the general public or to such of the foregoing entities as are organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholders or individuals, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation or action by any public officer or the courts;

(c) To acquire, own, erect, and construct or cause to be erected and constructed, maintain, operate, lease and dispose of residences and other real property;

(d) To have perpetual succession by its corporate name;

(e) To sue, be sued, complain, and defend in its corporate name;

(f) To purchase, take, receive, lease, take by gift, devise, or bequest, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated;

(g) To sell, convey, mortgage, pledge, lease, exchange, transfer, option, and otherwise dispose of all or any part of its property and assets;

(h) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, nonprofit corporations, associations, partnerships, limited partnerships, or individuals, or direct or indirect obligations of the United States of

America, or of any other government, state, territory, government district, or municipality, or any instrumentality or agency thereof;

(i) To make contracts, including contracts of guaranty, suretyship, and indemnification, incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage, deed of trust, security agreement, pledge, and other encumbrances of all or any of its property, franchises, and income;

(j) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;

(k) To conduct its affairs, carry on its operations, have offices, and exercise its powers in any state, territory, district, or possession of the United States of America;

(l) To elect or appoint officers and agents of the corporation and define their duties and fix their compensation;

(m) To make and alter bylaws, not inconsistent with these Amended and Restated Articles of Incorporation or with the laws of the State of Arizona;

(n) To pay pensions and to establish pension plans, pension trusts, and incentive plans for any and all of its trustees, officers, or employees, or any or all of those of its affiliates; and

(o) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or attainment of any of the objects hereinbefore mentioned either alone or in association with other individuals, associations, corporations, or partnerships and including federal, state, county and municipal bodies and authorities and in general, to do any and all things which a natural person could do or which now or hereafter may be permitted by law.

FOURTH:



No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate or intervene (including the publishing or distribution of statements) in any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or corresponding section of any future federal tax code.

FIFTH: The incorporators of the corporation (originally organized as of November 14, 1994) were:

Jenny Lucier	1114 South Maple Tempe, Arizona 85281
Charles Malpede	1126 South Ash Tempe, Arizona 85281
Karyn Gitlis	1206 South Ash Tempe, Arizona 85281

SIXTH: The corporation shall be a nonprofit corporation and shall have no stock, membership interests and no dividends or pecuniary profits shall be declared or paid to the directors, trustees or officers of the corporation, or to any other private individual, firm or corporation, and all of its earnings shall be used to further the charitable and educational purposes of the corporation as hereinabove set forth.

SEVENTH: The private property of the directors, trustees and officers of the corporation and the members of any committee of the corporation, shall be forever exempt from all corporate debts of any kind whatsoever.

EIGHTH: The name and address of the statutory agent of the corporation is Allen L. Carlson, 511 West University Drive, Suite 4, Tempe, Arizona 85281. The address of the known place of business of the corporation is 511 West University Drive, Suite 4, Tempe, Arizona 85281.

NINTH: The affairs of the corporation shall be managed by a board of directors, and the minimum and maximum membership of the board and any qualifications for board membership shall be established by the bylaws. Members of the board of directors shall be elected annually by the board of directors to fill the vacancies on the board of directors in accordance with the bylaws of the corporation. The board of directors shall have the right to increase and decrease the number of directors of the corporation and shall have the right to fill any vacancy in the board of directors in the manner provided by the bylaws. The board of directors shall have full power to adopt, alter, and amend the bylaws in the manner provided in the bylaws, and to make rules and regulations for the transaction of the affairs of the corporation, including the rights to provide for such committees, including an executive committee, and officers as the board shall deem appropriate. The bylaws may provide for one or more classes of directors and may provide for one or more advisory boards, the members of which advisory boards shall not have voting rights and shall have the duties and responsibilities established by the bylaws.

TENTH: These Amended and Restated Articles of Incorporation may be amended by the affirmative vote of a majority of the members of the board of directors present at a meeting called for that purpose.

ELEVENTH: No person shall possess any property right in or to the property or assets of the corporation. Upon the dissolution of the corporation, after payment of debts, all assets in their entirety shall be distributed exclusively to charitable or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended to be used exclusively for educational purposes.

TWELFTH: The liability of the existing and former directors or officers to the corporation shall be eliminated to the fullest extent permitted by Section 10-3202.B.1 of the Arizona Nonprofit Corporation Act or any successor provision.

If the Arizona Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the liability of its trustees and officers, the liability of the existing and former trustees or officers of the corporation shall be eliminated or limited to the fullest extent permitted by the Arizona Nonprofit Corporation Act, as amended.

The provisions of this Article Eleventh shall not be deemed to limit or preclude indemnification of the existing and former directors or officers by the corporation for any liability of the existing and former directors or officers which has not been eliminated by the provisions of this Article Eleventh.

THIRTEENTH: The corporation shall indemnify any and all of its existing and former directors and officers to the fullest extent permitted by Section 10-3202.B.2 of the Arizona Nonprofit Corporation Act or any successor provision and consistent with the limitations on indemnification established under the Internal Revenue Code of 1986, as amended, and the Regulations issued thereafter. If the Arizona Nonprofit Corporation Act is amended to authorize corporate action broadening the corporation's ability to indemnify its directors and officers, the corporation shall indemnify its existing and former directors and officers to the fullest extent permitted by the Arizona Nonprofit Corporation Act, as amended and consistent with the limitations on indemnification established under the Internal Revenue Code of 1986, as amended, and the Regulation issued thereunder. Any repeal or modification of this Article Twelfth shall not adversely affect any right or protection of any existing or former trustee or officer of the corporation existing hereunder with respect to any act or omission occurring prior to or at the time of such repeal or modification.

FOURTEENTH: Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code, or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

IN WITNESS WHEREOF, these Amended and Restated Articles of Incorporation were duly adopted by the Board of Directors of the Corporation by unanimous consent as of June 26, 2012.

By: Allen L. Carlson  
Allen L. Carlson, Executive Director

By: Gregory J. Wessel  
Gregory J. Wessel, Chair

By: Pen Johnson  
Pen Johnson, Secretary