

Draft of July 25, 2018

**BYLAWS
OF
ALUMNI AND FRIENDS OF ALLDERDICE
A Pennsylvania Nonprofit Corporation**

Adopted by the Board on July 31, 2018

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I INTRODUCTORY	1
Section 1.1 Name	1
Section 1.2 Statement of Purpose	1
Section 1.3 Organization.....	1
Section 1.4 Registered Office	2
Section 1.5 Other Offices.....	2
Section 1.6 Fiscal Year	2
Section 1.7 Governing Law	2
ARTICLE II MEMBERS	2
Section 2.1 Eligibility	2
Section 2.2 Voting; Quorum	2
Section 2.3 Reserved.....	3
Section 2.4 Notice.....	3
Section 2.5 Meetings.....	3
Section 2.6 No Liability of Members	3
Section 2.7 Expulsion from Membership	3
ARTICLE III OFFICERS	3
Section 3.1 Officers	3
Section 3.2 Term of Office	4
Section 3.3 Election of Officers in June	4
Section 3.4 President.....	4
Section 3.5 Vice President	4
Section 3.6 Secretary	4
Section 3.7 Treasurer	4
Section 3.8 Other Officers	5
Section 3.9 Vacancies; Removal of Officers	5
ARTICLE IV BOARD OF DIRECTORS	5
Section 4.1 Authority.....	5
Section 4.2 Number and Term; Faculty Advisor and Principal.....	5
Section 4.3 Other Duties	5

Section 4.4	No Compensation.....	6
Section 4.5	Meetings.....	6
Section 4.6	Quorum	6
Section 4.7	Voting	6
Section 4.8	Notices	6
Section 4.9	Standard of Care and Fiduciary Duty	7
Section 4.10	Conflicts of Interest.....	7
Section 4.11	Rules and Regulations.....	7
Section 4.12	Removal of Directors	7
Section 4.13	Supermajority Consent of Directors in Lieu of Meeting	7
Section 4.14	Annual Budget	8
Section 4.15	Large Expenditures	8
ARTICLE V COMMITTEES		8
Section 5.1	Establishment.....	8
Section 5.2	Committee Appointment; Term.....	8
Section 5.3	Meetings.....	9
Section 5.4	Committee Interaction with the Board.....	9
Section 5.5	Audit Committee.....	9
ARTICLE VI LIMITATION OF PERSONAL LIABILITY OF DIRECTORS		9
Section 6.1	Limitation of Directors' Personal Liability.....	9
Section 6.2	Preservation of Rights.....	9
ARTICLE VII INDEMNIFICATION		10
Section 7.1	Mandatory Indemnification of Directors and Officers	10
Section 7.2	Mandatory Advancement of Expenses to Directors and Officers	10
Section 7.3	Permissive Indemnification and Advancement of Expenses	10
Section 7.4	Scope of Indemnification	10
Section 7.5	Miscellaneous	11
Section 7.6	Limitations on Indemnification.....	11
Section 7.7	Procedure for Effecting Indemnification	11
ARTICLE VIII RESTRICTIONS REGARDING THE OPERATIONS OF THE CORPORATION; ADMINISTRATION OF FUNDS		12
Section 8.1	No Private or Political Beneficiaries.....	12
Section 8.2	No Violation of Purposes.....	12

Section 8.3	Tax Records	12
Section 8.4	Annual Report.....	12
Section 8.5	Books and Records	12
ARTICLE IX AMENDMENTS.....		12
Section 9.1	Articles of Incorporation.....	12
Section 9.2	Bylaws.....	13
Section 9.3	Notice.....	13

BYLAWS
OF
ALUMNI AND FRIENDS OF ALLDERDICE
A Pennsylvania Nonprofit Corporation
(the “Corporation”)

ARTICLE I
INTRODUCTORY

Section 1.1 **Name.** The name of the Corporation is Alumni and Friends of Allderdice, Inc.

Section 1.2 **Statement of Purposes.**

(a) The purposes for which the corporation is organized are exclusively charitable, religious, educational, scientific, and literary 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, including without limitation to cultivate growth, development and community investment. The organization’s goal is to encourage alumni and other supporters of Pittsburgh Allderdice High School to contribute to efforts that promote excellence and well-being for future, current, and former students of the school.

(b) To have and exercise all rights and powers from time to time granted to Pennsylvania nonprofit corporations by law.

(c) No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as provided by Section 501(h) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

(d) Notwithstanding any other provision of these articles, this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

(e) The corporation shall not merge or consolidate with any corporation unless the successor corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future tax code.

Section 1.3 **Organization.** No dividends shall be declared or paid to any private person or individual, nor shall any private person or individual, upon the dissolution of the Corporation, for any reason be entitled to receive a distributive or other share of the assets then owned or held by

the Corporation, it being expressly understood that this Corporation is not formed for profit and is a corporation which does not contemplate pecuniary gain, profit or dividends to any private person or individual, and is a corporation organized and operated exclusively as a public benefit corporation, no part of the net earnings of which shall inure to the benefit of any private person or individual. Upon dissolution of this Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c) of the Internal Revenue Code, or the 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 a Court of Competent Jurisdiction 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.

Section 1.4 **Registered Office.** The registered office of the Corporation shall be at 2409 Shady Avenue, Pittsburgh, PA 15217.

Section 1.5 **Other Offices.** The Corporation may also have offices at such other places as the Directors may select and the business of the Corporation shall require.

Section 1.6 **Fiscal Year.** The fiscal year of the Corporation shall end on June 30 of each year, or on such other date as may be fixed from time to time by the Board.

Section 1.7 **Governing Law.** This Corporation is governed by the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time (“NPCL”).

ARTICLE II **MEMBERS**

Section 2.1 **Eligibility.** Membership in the Corporation is limited to any individual who is an alumna or alumnus of Allderdice; any parent or guardian of a child who is attending, or has attended Allderdice; any member of the Allderdice faculty or staff; those individuals charged with the administration of Allderdice, as well as other individuals interested in supporting the mission of the Alumni and Friends of Allderdice. Members must be at least 18 years of age or a graduate of Pittsburgh Allderdice High School. Members must register on the Corporation website or designate their interest in joining the Corporation by methods identified by the Board of Directors. Dues, if any, shall be determined by the Board of Directors. Members need not be residents of the City of Pittsburgh or the Commonwealth of Pennsylvania. Membership is non-transferable.

Section 2.2 **Voting; Quorum.** Subject to Section 2.1, each Member of the Corporation is entitled to one vote on each matter before the Members. The manner of voting on any matter may be by voice, ballot, or any other reasonable means. Those Members who attend a duly convened meeting of Members shall constitute a quorum for the transaction of business at the meeting, provided that no business may be conducted at the meeting that was not set forth in the notice of the meeting. The Members may not cumulate their votes for the election of officers. Members may participate in meetings via Skype, or other electronic means, provided that they

can hear those in attendance, and be heard by those in attendance, if necessary and appropriate. Any actions which must be taken in writing shall be valid if sent and received by electronic mail.

Section 2.3 **Reserved.**

Section 2.4 **Notice.** Notice of the date, time and place of general membership meetings shall be given to all Members of record entitled to vote at the meeting at least ten (10) days prior to the day of a meeting. Notice may also be provided as set forth in the NPCL. Whenever written notice is required to be given to any person, it may be given to such person either personally or by sending a copy thereof by first class or express mail, or by electronic mail, to that person's address or email address appearing on the books of the Corporation, or in the case of Directors, supplied by that person to the Corporation for the purpose of notice. If the notice is sent by mail, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail. In the case of electronic mail it shall be deemed to have been given when dispatched. Such notice shall specify the place, day and hour of the meeting and any other information which may be required by the Act or these Bylaws, including, in the case of a meeting of Members, the general nature of the business to be transacted.

Section 2.5 **Meetings.** General membership meetings will be held at least yearly, on such date and time as determined by the Board. Meetings of Members may be held at such other times and places as the person calling the meeting shall so indicate in the meeting notice or as the Board may determine. Special meetings of the Members may be called by the President and shall be called by the President upon the instruction of the majority of the Board, or upon written request of ten (10) Members.

Section 2.6 **No Liability of Members.** The Members shall not be personally liable for the debts, liabilities or obligations of the Corporation.

Section 2.7 **Expulsion from Membership.** The Board may suspend privileges of or expel any Member for failure to pay dues when required. In addition, any Member may be expelled from membership, with or without the assignment of any cause, upon a majority vote of all Directors at a duly convened meeting, provided that written notice of the intention to expel and reasons therefor have been provided in the notice of the meeting. No Member shall be expelled without having the opportunity to be heard at such meeting, but no formal hearing procedure need be followed.

ARTICLE III
OFFICERS

Section 3.1 **Officers.** The officers of the Corporation shall consist of the following persons: (a) a President; (b) one or more Vice President(s); (c) one or more Secretary(ies); (d) a Treasurer or Co-Treasurers; and (e) such other officers and assistant officers as the Board may, from time to time, designate.

Section 3.2 **Term of Office.** Each officer shall serve for a term of two (2) years and until the officer's successor is duly elected and takes office. The term of office for each officer shall

begin on July 1. Notwithstanding the foregoing, the initial officers of the Corporation shall serve from the incorporation date of the Corporation to June 2019, except in the case of their earlier resignation or removal.

Section 3.3 Election of Officers in June. Beginning June 2019, the officers shall be elected at the June meeting of the Members or a special meeting called or designated for such purpose. The Board shall publish notice and seek nominations for the officers prior to such meeting. At the meeting to elect the officers, the Board shall call for nominations from the floor. The Members entitled to vote shall elect, by secret ballot or by hand count (if there is only one candidate), the officers from the nominations received prior to the meeting and from the nominations from the floor. Each Member shall be entitled to one vote, in person, by ballot, or by regular or electronic mail. Unless otherwise required by these Bylaws, the manner of voting may be by voice vote, show of hands, or by ballot, as determined by the Members present, or by mail or electronic mail if determined by the Members and a means of voting is sent with notice of the nominated persons to be voted upon. The acts of a majority of Members voting shall be deemed to be the acts of the Members.

Section 3.4 President. The President shall generally supervise the business of the Corporation, shall preside at all meetings of the Members and Directors, and shall execute documents on behalf of the Corporation. The President shall be a member ex officio of all committees. In order to be a candidate for the presidency, each candidate must satisfy at least one of the following requirements: (a) served as an officer of the Corporation; (b) served as a chairperson of committee of the Corporation; or (c) been a Member of the Corporation for at least one calendar year and attended at least two meetings of the Corporation during that period.

Section 3.5 Vice President. The Corporation may have one or more Vice Presidents to serve in such capacities as prescribed by the Board or delegated by the President.

Section 3.6 Secretary. The Secretary shall assure that minutes are prepared and maintained for all meetings of the Board and the Members; shall assure that appropriate notice is given for all meetings of the Board and Members; and shall perform such other duties as may be prescribed by the Board or by the President.

Section 3.7 Treasurer. The Treasurer shall act as chief financial officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The Treasurer shall cause financial reports, including a statement of accounts at each regular meeting of the Board of Directors, additional statements as the Board of Directors may require, and an annual report to the Board of Directors, to be provided. The Treasurer shall cause to be deposited or shall cause to be disbursed, in accordance with procedures approved by the Board of Directors, all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse funds of the Corporation as may be ordered by the Board of Directors, shall render to the Board of Directors, whenever they request, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have

such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

Section 3.8 **Other Officers.** Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Board or by the President from time to time.

Section 3.9 **Vacancies; Removal and Resignation of Officers.** A vacancy occurring in any office other than President shall be filled for the unexpired term by a person elected by a majority vote of the Board. Any officer elected or appointed to office may be removed by the Board with or without cause, whenever in its judgment the best interest of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed. Any officer may resign at any time by giving written notice to the Board of Directors, or to the Chairman or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein; and unless otherwise specified therein (except as may be provided by contract), the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV **BOARD OF DIRECTORS**

Section 4.1 **Authority.** The business and affairs of the Corporation shall be managed by the Board of Directors, except as otherwise required by the NPCL, these Bylaws, or a resolution duly adopted by the Board.

Section 4.2 **Number and Term; Faculty Advisor and Principal.** The Board shall consist of the following persons: (i) the duly elected officers of the Corporation listed in sections 3.4 through 3.8 inclusive; (ii) the principal of Allderdice (or a designee of the principal) (the “Principal”); (iii) at least one non-officer Director, selected by the other Directors, to help assure that the diverse perspectives of the AFA are represented. Directors who are elected officers of the Corporation shall serve for the same term as their term as an officer or until such Director’s successor has been duly elected and qualified or until the Director’s earlier death, resignation or removal. Non-officer Directors shall be selected by the Board and serve for terms of two years and until their successors are elected and qualified. As nearly as possible, an equal number of terms of non-officer Directors shall expire each year.

Section 4.3 **Other Duties.** The President shall serve as the chairperson of the Board. The Board may (a) create standing and special committees, (b) approve the plans of work of the standing committees, (c) present a report at the regular meetings of the Corporation, (d) select an auditor or an auditing committee to audit the Treasurer’s accounts, (e) prepare and submit to the organization for adoption a budget for the year in accordance with Section 4.14, and (f) approve routine bills within the limits of the budget.

Section 4.4 **No Compensation.** No compensation shall be paid to any Director for services as a Director but, at the discretion of the Board, a Director may be reimbursed for travel and actual expenses necessarily incurred in attending meetings and performing other duties on behalf of the Corporation.

Section 4.5 **Meetings.** The Board shall meet at dates and times established by the Board, such meetings to be held at the Registered Office of the Corporation, unless otherwise specified. Special meetings may be called by the President and shall be called by the President upon the written request of a number of Directors constituting a quorum of the Directors then in office and entitled to vote. Board meetings shall be held no less than quarterly. Special meetings may be called at any time upon five (5) days' notice by the President, or any other two (2) Directors.

Section 4.6 **Quorum.** At all meetings of the Board, the presence of a majority of the Directors in office and entitled to vote shall constitute a quorum. In addition to those Directors who are actually present at a meeting, Directors shall be deemed as present at such meeting if a telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time is used. The act of a majority of the Directors entitled to vote at a meeting at which a quorum is present shall be the act of the Board.

Section 4.7 **Voting.** Each Director entitled to vote shall be entitled to one vote on each matter submitted to a vote of the Board. Each Director shall be entitled to one vote, in person, by ballot, or by regular or electronic mail. Unless otherwise required by these Bylaws, the manner of voting on any matter, including changes in the articles or bylaws, may be by voice vote, show of hands, or by ballot, as determined by the Directors present, or by mail or electronic mail if determined by the Board and a means of voting is sent with notice of the question to be voted upon. At any time that there shall be a sole Director of the Corporation, the sole Director shall act by written statement of the action, which shall be filed with the Secretary. The acts of a majority of Directors voting shall be deemed to be the acts of the Board.

Section 4.8 **Notices.** Written notice of the date, time and place of each meeting of the Board shall be given to all Directors at least five (5) days in advance of the date thereof. Such notice shall set forth the date, time and place of the meeting. Whenever written notice is required to be given to a Director under this Section 4.8, it may be given to the Director personally or by sending a copy thereof by the methods approved in the NPCL. Whenever written notice is required to be given to any person, it may be given to such person either personally or by sending a copy thereof by first class or express mail, or by electronic mail, to that person's address or email address appearing on the books of the Corporation, or supplied by that person to the Corporation for the purpose of notice. If the notice is sent by mail, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail. In the case of electronic mail it shall be deemed to have been given when dispatched. Such notice shall specify the place, day and hour of the meeting and any other information which may be required by the Act or these Bylaws, including the general nature of the business to be transacted.

Section 4.9 **Standard of Care and Fiduciary Duty.** Each Director shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including

financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) one or more officers of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and
- (c) a committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

Section 4.10 Conflicts of Interest. The Board shall adopt a Conflict of Interest Policy.

Section 4.11 Rules and Regulations. The Board may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the Corporation and may alter, amend or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the Directors present and entitled to vote at a meeting of the Board where a quorum is present.

Section 4.12 Removal of Directors. Except for the Principal, any individual Director may be removed from office without assigning any cause by the vote of the majority of the Board. Vacancies shall be filled by the Board, or by the newly elected officer replacing any such removed officer/Director. Any Director may resign effective upon giving written notice to the Board of Directors, or to the President or the Secretary, unless such notice specifies a later time for the effectiveness of such resignation.

Section 4.13 Supermajority Consent of Directors in Lieu of Meeting. Any action that may be taken at a meeting of the Board may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by at least eighty percent (80%) of the Directors in office and entitled to vote and shall be filed with the Secretary of the Corporation. Any action which may be done, or is required to be done, in writing under these Bylaws or the Act, including agreement to a supermajority written consent, shall be valid if sent and received by electronic mail.

Section 4.14 Annual Budget. The Officers shall present a proposed budget to the full Board for the upcoming year. The annual budget shall be adopted by majority vote of the Directors.

Section 4.15 Large Expenditures. Any expenditure by the Corporation that is in excess of \$5,000 and that was not otherwise included in the annual budget approved by the Board in

accordance with Section 4.14 must be approved by a majority of the Board at a duly called Board meeting.

ARTICLE V **COMMITTEES**

Section 5.1 **Establishment.** The Board may establish one or more committees to consist of one or more Directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise any of the powers and authority of the Board, except that no committee shall have any power or authority as to the following:

- (a) the filling of vacancies on the Board;
- (b) the adoption, amendment, or repeal of the Bylaws;
- (c) the amendment or repeal of any resolution of the Board; or
- (d) action on matters committed by the Bylaws or by resolution of the Board to another committee of the Board.

If any person who is not a Director is appointed to any committee of the Board, such non-Director shall have no right to vote on any question that would create a binding obligation of the Corporation.

Section 5.2 **Committee Appointment; Term.** Unless otherwise determined by the Board or set out in these Bylaws, the Board shall appoint committee chairpersons annually and may be reappointed to a committee for an unlimited number of terms. The Chairman and each member of each standing committee shall serve until the next annual election of Directors and until his or her successor is appointed or until such committee is sooner terminated, or until such person is removed, resigns, or otherwise ceases to qualify as a Chairman or member, as the case may be, of the committee. Chairman and members of special committees shall serve for the life of the committee unless they are sooner removed, resign, or cease to qualify as a Chairman or member, as the case may be, of such committee. Vacancies on any committee may be filled by the Board. Each committee may adopt its own rules of procedure not inconsistent with these bylaws.

Section 5.3 **Meetings.** Each committee shall meet as often as necessary to perform its duties, at such times and places as directed by its Chairman or by the Board of Directors. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep accurate minutes of its meetings and shall make periodic reports and recommendations to the Board of Directors.

Section 5.4 **Committee Interaction with the Board.** The chairperson of each committee reports to the Board, and if requested, submits a written plan of work to the Board for its approval and information. Any expenditure of Corporate funds by a committee shall require prior approval of the Board of Directors.

Section 5.5 Audit Committee. If an Audit Committee is appointed, such committee shall have the responsibility of overseeing the reporting of the finances of the Corporation. The Audit Committee shall select an independent auditor for the Corporation and review and approve the periodic reports of such independent auditor. The Audit Committee shall also implement procedures to ensure adequate controls of the financial procedures of the Corporation. Except as otherwise set forth in these Bylaws, the Audit Committee may set its own regulations and procedures.

ARTICLE VI **LIMITATION OF PERSONAL LIABILITY OF DIRECTORS**

Section 6.1 Limitation of Directors' Personal Liability. A Director of the Corporation shall not be personally liable for monetary damages for any action taken unless:

(a) the Director has breached or failed to perform the duties of a Director in accordance with the standard of conduct contained in Section 5712 of the Act and any amendments and successor acts thereto; and

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

Provided, however, the foregoing provision shall not apply to (a) the responsibility or liability of a Director pursuant to any criminal statute or (b) the liability of a Director for the payment of taxes pursuant to local, state, or federal law.

Section 6.2 Preservation of Rights. Any repeal or modification of this Article by the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VII **INDEMNIFICATION**

Section 7.1 Mandatory Indemnification of Directors and Officers. The Corporation shall indemnify any current or former officer or Director, or their estate, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (and whether or not by, or in the right of, the Corporation) (a "Proceeding") by reason of the fact that such person is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another domestic or foreign Corporation for-profit or not-for-profit, partnership, joint venture, trust, or another enterprise, against expenses (including attorneys' fees), judgements, fines, and amounts paid in settlement actually and reasonably incurred in connection with such Proceedings if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and with

respect to any criminal proceedings, had no reason to believe such conduct was illegal, provided, however, that no person shall be entitled to indemnification pursuant to this Article in any instance in which the action or failure to take action giving rise to the claim for indemnification is determined by the court to have constituted willful misconduct or recklessness; and provided, further, however, in instances of a claim by or in the right of the Corporation, indemnification shall not be made under this section in respect of any claim, issue, or matter as to which the person has been adjudged to be liable to the Corporation unless and only to the extent that a court of competent jurisdiction determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court of common pleas or other court shall deem proper.

Section 7.2 Mandatory Advancement of Expenses to Directors and Officers. The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 7.1 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 7.1 hereof in advance of the final disposition of such action, suit or proceeding, only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 7.4 hereof.

Section 7.3 Permissive Indemnification and Advancement of Expenses. In all other circumstances, the Corporation is authorized, at its option, to indemnify and hold harmless any employee or other agent of the Corporation acting within the scope of such person's duties to the Corporation against and from all Expenses actually and reasonably incurred in connection with any Proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances and, in the case of a criminal Proceeding, had no reasonable cause to believe the conduct was unlawful.

Section 7.4 Scope of Indemnification. Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the NPCL or any successor statute as in effect at the time of such alleged action or failure to take action.

Section 7.5 Miscellaneous. Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members, disinterested Directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article shall not adversely affect any right or

protection existing at the time of such appeal or modification to which any person may be entitled under this Article.

Section 7.6 Limitations on Indemnification. In addition to any other limitation on the ability of the Corporation to provide any indemnification pursuant to this article, the Corporation shall not indemnify any person:

(a) With respect to any matter for which indemnification is prohibited by applicable law;

(b) With respect to any concluded proceeding in which the person to be indemnified was not wholly successful on the merits, unless the outcome of such Proceeding shall be found by Supermajority of the Board to be in the best interests of the Corporation and reasonable in result; or

(c) With respect to expenses relating to any proceeding brought by a Director, officer, employee, or agent against the Corporation.

Section 7.7 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under this Article VII or the NPCL shall be made by the Corporation only following a determination that the indemnification is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct. Such determination shall be made:

(a) by the Board by a majority vote of a quorum consisting of Directors who were not party to the action or proceeding;

(b) if such a quorum is not obtainable or if obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or

(c) by the members.

ARTICLE VIII **RESTRICTIONS REGARDING THE OPERATIONS OF** **THE CORPORATION; ADMINISTRATION OF FUNDS**

Section 8.1 No Private or Political Beneficiaries. In keeping with the statement of purpose of the Corporation as set forth in its Articles of Incorporation, no part of the earnings or assets of the Corporation shall inure to the benefit of any private individual, and no substantial part of the activities of the Corporation shall be used for lobbying and the Corporation shall not engage in any political campaign activities on behalf of or in opposition to any candidate for public office.

Section 8.2 No Violation of Purposes. In no event and under no circumstances shall the Board make any distribution or expenditure, engage in any activity, hold any assets, or enter into any transaction whatsoever the effect of which under applicable federal laws then in force will

cause the Corporation to lose its status as an organization to which contributions are deductible in computing the net income of the contributor for purposes of federal income taxation.

Section 8.3 **Tax Records.** The Corporation shall maintain at its principal office a copy of its application for exemption and all tax returns filed with the Internal Revenue Service. To the extent required by law, such documents shall, upon request, be made available to Members and Directors during regular business hours for inspection. When applicable, the Treasurer (or a person designated by the Treasurer) shall be responsible for preparing, and the Executive Board shall be responsible for reviewing and filing, an annual information (Form 990 or 990EZ) return with the Internal Revenue Service.

Section 8.4 **Annual Report.** The Treasurer shall submit annually to the Board a statement containing those details required to be included under the provisions of the NPCL, as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws.

Section 8.5 **Books and Records.** This Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of its Members, Board and committees. The Corporation will keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the Corporation and an original or duplicate membership register, giving the names of the Members and showing their respective addresses, and the class and other details of membership.

ARTICLE IX **AMENDMENTS**

Section 9.1 **Articles of Incorporation.** The Articles of Incorporation of the Corporation may be amended by the Board at any duly convened meeting of the Board after not less than 10 days' notice of such purpose has been given, including a copy of the proposed amendment or a summary of the changes to be effected thereby.

Section 9.2 **Bylaws.** The Bylaws may be altered, amended and/or repealed from time to time by the affirmative vote of a majority of the Board entitled to vote at a duly called meeting of the Board.

Section 9.3 **Notice.** The Directors shall be given prior written notice of any meeting at which proposed changes to the Bylaws of the Corporation are to be considered or acted upon.