

BYLAWS

of

**Philadelphia Area Girls Lacrosse Association
A Pennsylvania Nonprofit Corporation
Membership**

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ARTICLE 1 – DEFINITIONS

Section 1.1. Definitions.

The following terms used in these Bylaws shall have the meanings set forth below.

- (a) “**Act**” means the Pennsylvania Nonprofit Corporation Law of 1988, as amended.
- (b) “**Annual Meeting**” means the annual meeting of the Members.
- (c) “**Board**” means the Board of Directors of the Corporation.
- (d) “**Bylaws**” means these Bylaws of the Corporation, as the same may be amended, modified, restated or superseded from time to time.
- (e) “**Committee**” means, collectively, the Executive Committee, the Standing Committees and any ad hoc committee.
- (f) “**Corporation**” means the Philadelphia Area Girls Lacrosse Association.
- (g) “**Director**” means an individual serving on the Board.
- (h) “**Member**” means an individual Member, a Member program and an Honorary Member that satisfies the applicable requirements for membership set forth in Article 4 of the Bylaws.
- (i) “**Organizational Meeting of the Board**” means the annual regular meeting of the Board immediately following the Annual Meeting.
- (j) “**Region**” means each of the five (5) regions of youth programs, grouped by reasonable geographic boundaries as determined from time to time by the Board, each of which shall be represented by one (1) Director.
- (k) “**Treasurer’s Report**” means a report of the Treasurer or an Assistant Treasurer setting forth expenditures made or incurred since the previous Treasurer’s Report (which report may be based upon the most recent audited financial statements) and the account balances current as of the most recent date for which bank account statements are then available.

ARTICLE 2 – PURPOSES

Section 2.1. Purposes.

The purposes of the Corporation are set forth in its Articles of Incorporation.

ARTICLE 3 – OFFICES

Section 3.1. Offices.

The registered office of the Corporation shall be located in Pennsylvania. The Corporation may have any number of other offices at such places as the Board may determine from time to time. The address of the registered office may be changed from time to time by the Board upon notification to the Pennsylvania Corporation Bureau pursuant to the Act.

ARTICLE 4 – MEMBERS

Section 4.1. Qualifications of Members.

The regular Members of the Corporation shall be either (A) individual Members or (B) Member programs that each meet all of the applicable requirements set forth in this Section 4.2.

- (a) An individual Member shall be (i) at least 18 years of age; (ii) appointed as a Member by a vote of the Board; (iii) current in the payment of all dues, fees and assessments imposed from time to time by the Board on individual Members; and (iv) not previously removed as Member by a vote of the Board.
- (b) A Member program must be a municipal entity, a nonprofit corporation or an unincorporated association that functions as a nonprofit entity, in each case which (i) operates a girls youth lacrosse program in within a specific municipality or public school district within Southeastern Pennsylvania or Northern Delaware; (ii) is current in the payment of all dues, fees and assessments imposed from time to time by the Board on Member programs; (iii) serves only female athletes resident within a single municipality or public school district; (iv) sponsors intramural and/or travel lacrosse teams for girls in grades 3 through 8; and (v) has been accepted as a Member by the Board and assigned to a Region.

Any additional qualifications of Members shall be determined by the Board from time to time after consideration of any recommendations relating to Member qualifications provided to the Board by the Program Committee. Each qualified Member program in good standing with the Corporation is entitled to name a representative to serve as the Member program's voting delegate; *provided, however*, an individual Member does not have to be a representative of a specific youth program.

Section 4.2. Honorary Members.

Nothing herein shall preclude the Board from awarding honorary memberships in the Corporation to any person upon such terms and conditions of merit or contribution to the Corporation as the Board may from time to time deem appropriate. Honorary Members shall be entitled to exercise all rights, voting or otherwise, of the regular Members of the Corporation;

provided, however, that Honorary Members (1) shall serve at the pleasure of the Board, (2) shall be appointed by a vote of the Board and (3) may be removed by a vote of the Board.

Section 4.3. Voting Rights.

Each Member which is entitled to vote on any matter shall be entitled to one vote in person. Except as otherwise provided herein, the act of a majority of the Members at a meeting at which a quorum is present shall be the act of the Members. Voting by Members by proxy is not permitted.

Section 4.4. Dues and Assessments.

The Board may, by resolution, determine (1) the amounts of any fees, dues or assessments payable by the Members, and (2) the time and method of their payment. The Board may impose such fees or dues upon all Members, and may levy assessments on particular Members for the time and inconvenience of adding and dropping teams, moving teams between divisions and other action that, in the sole discretion of the Board, disrupt the business of the Corporation. At the time the general or specific assessment is levied, the date of payment shall be prescribed. Failure to pay dues will cost a Member its right to vote at the next Annual Meeting and such Member's qualification to serve on the Board and any Committee. The Board may suspend any Member, and/or any or all of a Member's rights and privileges, if such Member fails to pay dues for two consecutive years or fails to pay an assessment for more than ninety (90) days, which suspension shall remain in effect until such time as the payment has been made in full and no other dues or assessments are then in arrears.

Section 4.5. Nontransferable.

Membership in the Corporation is not transferable.

Section 4.6. Termination.

The Board may by resolution terminate the membership of any Member who has been suspended for failure to pay dues, fees or assessments or who no longer qualifies for membership.

ARTICLE 5 – MEETINGS OF MEMBERS

Section 5.1. Place of Meetings of Members.

Meetings of the Members shall be held at such place as may be fixed by the Board. If no place is fixed by the Board, meetings of the Members shall be held at the registered office of the Corporation.

Section 5.2. Annual Meeting of Members.

Unless the Board provides by resolution for a different date, the Annual Meeting, for the election of Directors and the transaction of any other business which may be brought before the meeting, shall be held on the last Sunday in September of each year; provided,

however, that the initial Annual Meeting shall be held on the first Thursday in November of 2011. In addition, each year, the Members shall have a regular meeting of the members (the "Regular Meeting") in the first weekend in February. The Treasurer or Assistant Treasurer shall deliver a Treasurer's Report at each Annual Meeting and Regular Meeting covering the period since the previous Annual Meeting or Regular Meeting. The Secretary will circulate copies of the minutes of the previous Annual Meeting or Regular Meeting prior to the next Annual Meeting or Regular Meeting.

Section 5.3. Special Meetings of Members.

Special meetings of the Members may be called at any time by the President, the Board or Members entitled to cast at least twenty five percent (25%) of the votes which all Members are entitled to cast at the particular meeting. Upon the written request of any person entitled to call a special meeting, the Secretary shall (1) fix the date and time of the meeting, which shall be held not more than sixty (60) days after receipt of the request, and (2) give notice of such special meeting to the Members within thirty (30) days after receipt of the written request for the special meeting. If the Secretary neglects or refuses to either fix the meeting date and/or give notice within thirty (30) days after receipt of the written request for the special meeting, the person or persons calling the special meeting may do so.

Section 5.4. Notice of Meetings of Members.

Written notice of every meeting of the Members shall be given by, or at the direction of, the Secretary to each Member of record entitled to vote at the meeting at least five (5) days prior to the date of the meeting, unless a greater period of notice is required by the Act in a particular case. In the case of special meetings of the Members, the notice shall specify the general nature of the business to be transacted.

Section 5.5. Determination of Members of Record.

The Board may fix a time, not more than sixty (60) days prior to the date of any meeting of the Members or any adjournment thereof, as a record date for the determination of the Members entitled to notice of, or to vote at, such meeting. The Board may similarly fix a record date for the determination of the Members of record for any other purpose.

Section 5.6. Quorum at Member Meetings.

The presence of the Members entitled to cast at least thirty percent (30%) of the votes which all Members are entitled to cast on the matters to be acted upon at a meeting of Members shall constitute a quorum.

Section 5.7. Participation in Member Meetings.

One or more Members may participate in a meeting of the Members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 5.8. Organization of Member Meetings.

At every meeting of the Members, the President or, in his or her absence, the Vice President or, in the absence of the President and the Vice President, a chair chosen by the Members, shall act as chair. The Secretary or, in his or her absence, an Assistant Secretary or, in the absence of the Secretary and any Assistant Secretary, a person appointed by the chair, shall act as secretary.

ARTICLE 6 – BOARD OF DIRECTORS

Section 6.1. Board of Directors.

The business and affairs of the Corporation shall be managed under the direction of the Board. The powers of the Corporation shall be exercised by, or under the authority of, the Board except as otherwise provided by the Act or other applicable law, the Articles of Incorporation, these Bylaws, or a resolution adopted by the Board.

Section 6.2. Qualifications of Directors.

Each Director shall be a natural person at least eighteen (18) years of age who need not be a resident of Pennsylvania. Each Director shall be a Member *ex officio* with all rights and privileges afforded to the Members by these Bylaws and the resolutions of the Board then in effect, including voting rights.

Section 6.3. Number and Election of Directors.

The Board shall consist of nine (9) persons, divided into three (3) classes, each class consisting of three (3) individuals. The term of office of one class shall expire in each year. Each class shall be nominated by the Nominating Committee and, unless a nomination is rejected by the Members, shall thereupon be elected for terms of three (3) years, except in case of a vacancy in any class, in which case the vacancy shall be filled for the balance of the term of such class. However, to achieve the initial classification of the Board, the initial terms of the three classes of the first Board shall be for periods expiring as of the Annual Meeting in 2012, 2013 and 2014, respectively.

Section 6.4. Regional Representation of Directors; At Large Directors.

There shall be at least one Director from each of the four (4) Regions, which regions may be modified by the Board without requiring an amendment to these Bylaws. In addition, the Board shall include five (5) at-large Directors, any of whom may also be a representative Member of a local program included within a Region.

Section 6.5. Director Emeritus.

Nothing herein shall preclude the Board from awarding an honorary title of Director Emeritus to any person upon such terms and conditions of merit or contribution to the Corporation as the Board may from time to time deem appropriate; *provided, however*, that no Director Emeritus shall be entitled to exercise any of the rights, voting or otherwise, of the

Directors or officers of the Corporation. Directors Emeritus shall serve at the pleasure of the Board and shall be appointed by a vote of the Board and may be removed by a vote of the Board.

Section 6.6. Term of Office.

Each Director (other than a Director Emeritus) shall hold office until (1) the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, or (2) his or her earlier death, resignation, or removal. A Director may serve up to two consecutive three-year terms as a Director and must then sit out for one year after the Director's second term, *provided however*, that the initial one-year term to which three Directors were initially elected upon adoption of these Bylaws shall not count towards the two-term limitation. After a Director sits out for one year, such person may again be a Director for up to two consecutive terms, and so on.

Section 6.7. Procedure for Nomination of Candidates for Director.

The chair of the meeting shall announce at the Annual Meeting the number of Directors to be elected at the Annual Meeting and shall declare the nominations set forth by the Nominating Committee for Member consideration. The Members may thereupon vote, upon motion and second of two Members, to disapprove any or all of the nominees. A nomination will be deemed approved unless a majority of all Members qualified to vote at the Annual Meeting vote against such nomination.

Section 6.8. Vacancies.

Vacancies among the Board, including vacancies resulting from (1) an increase in the number of Directors, (2) the death, resignation, or removal of a Director, or (3) the unavailability of any person willing to serve as Director representing a certain Region, may, at the discretion of the Board, be left vacant or filled on an interim basis, in either case by vote of the majority of the remaining Directors though less than a quorum at a meeting of the Board. Each person so elected shall be a Director to serve for the balance of the unexpired term, subject to the right of the Board to vote to remove an interim Director.

Section 6.9. Removal of Directors.

Any Director may be removed from office, without assigning any cause, by a majority vote of the Board at any meeting of the Board. If any Director is removed, the resulting vacancy may be filled by the Board at the same meeting.

Section 6.10. Resignations.

Any Director may resign at any time by giving written notice to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation. If any Director resigns, the resulting vacancy may be filled by the Board at the same meeting.

Section 6.11. Compensation of Directors.

Directors shall receive no compensation for their services as Directors or as Committee members; *provided, however*, that Directors may be reimbursed for reasonable expenses paid or incurred on behalf of the Corporation. The Corporation may compensate a Director for providing services to the Corporation in any other capacity, including that of salaried officer, employee, or agent of the Corporation. Directors who serve as salaried officers, employees, or agents of the Corporation shall not participate in any vote of the Board with respect to their compensation.

Section 6.12. Voting Rights.

Each Director (other than a Director Emeritus) shall be entitled to one vote.

ARTICLE 7 – COMMITTEES

Section 7.1. Establishment and Powers.

There are hereby established an Executive Committee and the following Standing Committees of the Board: Management Committee, Nominating Committee, Program Committee and Events Committee. The Board may, by resolution adopted by a majority of the Directors, establish one or more ad hoc committees. In the absence of specific requirements herein, the President shall appoint all Committee chairs and members and any alternate members of each Committee. Any Committee, to the extent provided herein or in a resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that a Committee shall not have any power or authority as to the following:

- (a) The creation or filling of vacancies in the Board;
- (b) The adoption, amendment or repeal of the Bylaws;
- (c) The amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board; or
- (d) Action on matters committed by the Bylaws or a resolution of the Board exclusively to another Committee of the Board.

Section 7.2. Term.

Each Committee of the Board shall serve at the pleasure of the Board.

Section 7.3. Committee Organization.

Except as otherwise provided herein, each Committee shall (1) be chaired by a Director appointed by the President of the Board, (2) consist of such numbers of Directors, Members or other persons as these Bylaws shall require or, in the absence of such requirement herein, as the President of the Board shall designate; and (3) establish its own operating procedures. Each Committee shall keep regular minutes of its proceedings and report the same

to the Board at each regular meeting of the Board. Each Committee shall determine its dates, times and places of meetings.

Section 7.4. Executive Committee.

The Executive Committee shall be chaired by the President and composed exclusively of the officers of the Corporation and the immediate past President of the Board. The Executive Committee shall be authorized to act for the Board between its meetings. Except as otherwise provided by these Bylaws or by resolution of the Board, the Executive Committee shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

Section 7.5. Standing Committees

A. Nominating Committee.

The Nominating Committee shall be chaired by a Director and composed of three (3) officers and/or Directors of the Corporation appointed by the President. The Nominating Committee shall recommend the officers of the Corporation for the succeeding fiscal year and the nominees for the next class of Directors for three (3) year terms, which class of Directors the Members will either vote to disapprove or otherwise accept at the next Annual Meeting.

B. Management Committee

The Management Committee shall be chaired by a Director and composed of three (3) officers and/or Directors of the Corporation appointed by the President. The Management Committee shall be responsible for financial audits, personnel, recommending amendments to these Bylaws, and insurance obligations.

C. Program Committee

The Program Committee shall be chaired by a Director or officer of the Corporation appointed by the President and shall be composed of such persons as the President shall appoint from time to time to serve thereon. The Program Committee shall be responsible for (1) establishing and implementing all programs authorized by the Board to be undertaken by the Corporation; (2) maintaining membership directories and the Corporation's website; (3) coordinating junior referee training and coaching workshops and (4) making recommendations to the Board regarding membership qualifications, fees, dues and assessments.

D. Events Committee

The Events Committee shall be chaired by a Director or officer of the Corporation appointed by the President and shall be composed of such persons as the President shall appoint from time to time to serve thereon. The Events Committee shall be responsible for recommending to the Board (1) the Corporation's participation in, and the amount, if any, of its financial support for, local, regional and national girls lacrosse events, tournaments and festivals; and (2) the number and amount of any awards, honors and/or grants, and the recipients thereof, bestowed from time to time by the Corporation.

ARTICLE 8 – MEETINGS OF THE BOARD

Section 8.1. Place of Board Meetings.

The Board may hold its meetings at such places as the Board may appoint or as may be designated in the notice of the meeting.

Section 8.2. Organizational Meeting of the Board.

Unless the Board provides by resolution for a different time, the Organizational Meeting of the Board shall take place immediately after the Annual Meeting and shall constitute a regular meeting of the Board. The newly constituted Board shall meet without prior notice at the place where the Annual Meeting was held, or at any other place and time designated in a notice given as provided in Article 10 (Notices), for the purposes of organization, election of officers, and the transaction of other business. At the Organizational Meeting of the Board, the Board shall (1) schedule the regular meetings of the Board for the rest of the year as well as the date, time and location of the next Annual Meeting, (2) establish the qualifications, fees, dues and assessments for all Members for the succeeding fiscal year, and (3) appoint or remove any Honorary Members and Directors Emeritus. In addition, at the Organizational Meeting of the Board, the President shall announce his or her appointments of chairpersons and membership of the Committees for the succeeding fiscal year.

Section 8.3. Regular Board Meetings.

The Board may hold its regular meetings at such date, time and place as shall be designated by resolution of the Board. The Board shall transact such business as may properly be brought before its regular meetings, including approval of reports presented by the Treasurer and the Committees. Notice of regular meetings need not be given, unless the date, time or place of any such regular meeting has changed from the date, time or place thereof announced at the preceding Organizational Meeting of the Board. The Treasurer or Assistant Treasurer shall deliver a Treasurer's Report at each regular meeting covering the period since the previous regular meeting. The Secretary or Assistant Secretary will circulate copies of the minutes of the previous meeting prior to the next meeting.

Section 8.4. Special Meetings of the Board.

The President or any two Directors may call special meetings of the Board to be held at such date, time and place as shall be designated in the call for the special meeting.

Five (5) days' notice of any special meeting shall be given to each Director pursuant to Article 10 (Notices) or by telephone. Such notice shall state the date, time and place of such special meeting but need not state the purpose of the special meeting.

Section 8.5. Quorum at Board Meetings.

A majority of Directors shall constitute a quorum for the transaction of business at Board meetings. The acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board.

Section 8.6. Participation in Board and Committee Meetings.

One or more Directors may participate in a meeting of the Board or a Committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 8.7. Organization of Board Meetings.

Every meeting of the Board shall be presided over by the President or, in the absence of the President, the Vice President or, in the absence of the President and the Vice President, a chair chosen by a majority of the Directors present. The Secretary or, in his or her absence, any Assistant Secretary or, in the absence of the Secretary and any Assistant Secretary, a person appointed by the chair, shall act as secretary.

ARTICLE 9 – OFFICERS

Section 9.1. Number.

The officers of the Corporation shall include a President, a Vice President, a Secretary, and a Treasurer. The officers may also include one or more Assistant Secretaries and/or Assistant Treasurers, and such other officers as the Board may determine by resolution. Any number of offices may be held by the same person; *provided, however*, that no person may serve as both the President and the Treasurer at the same time.

Section 9.2. Qualifications of Officers.

The officers shall be natural persons at least 18 years of age who are Directors.

Section 9.3. Election and Term of Office.

Except as otherwise provided by resolution of the Board, the officers of the Corporation shall be elected by the Board at the Organizational Meeting of the Board. Each officer shall serve for a term of one year and until his or her successor has been elected and qualified, or until his or her earlier death, resignation, or removal.

Section 9.4. Removal of Officers.

Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation will be served. Such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 9.5. Resignations.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation.

Section 9.6. Vacancies.

Any vacancy during a fiscal year occurring in an office established hereby resulting from the death, resignation or removal of an officer shall be filled by the vote of a majority of the Board.

Section 9.7. The President.

The President shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation, subject to the control of the Board. The President shall chair all meetings of the Board, the Executive Committee, and the Members. The President shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of President and such other duties as may be assigned by the Board.

Section 9.8. The Vice President.

In the absence or disability of the President or when so directed by the President, the Vice President may perform all the duties of the President, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such other duties as may be assigned by the Board or the President.

Section 9.9. The Secretary.

The Secretary shall attend all meetings of the Board and of the Members. The Secretary shall record all votes of the Board and of the Members and the minutes of the meetings of the Board and of the Members in a book or books to be kept for that purpose. The Secretary shall see that required notices of meetings of the Board and of the Members are given and that all records and reports are properly kept and filed by the Corporation. The Secretary shall circulate the minutes for the prior regular Board meeting and Annual Meeting prior to the next regular Board meeting or Annual Meeting to the Board. The Secretary shall be the custodian of the seal, if any, of the Corporation and shall see that it is affixed to all documents to be executed on behalf of the Corporation to the extent such seal may be legally required to be so affixed. In general,

the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the President.

Section 9.10. Assistant Secretaries.

In the absence or disability of the Secretary or when so directed by the Secretary, any Assistant Secretary may perform all the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each Assistant Secretary shall perform such other duties as may be assigned by the Board, the President, or the Secretary.

Section 9.11. The Treasurer.

The Treasurer shall be responsible for corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall have full authority to receive and give receipts for all money due and payable to the Corporation, and to endorse checks, drafts, and warrants in its name and on its behalf and to give full discharge for the same. The Treasurer shall deposit all funds of the Corporation, except such as may be required for current use, in such banks or other places of deposit as the Board may designate. The Treasurer shall deliver a Treasurer's Report at each Annual Meeting and each regular meeting covering the period since the previous Annual Meeting or regular meeting, as applicable. In addition, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board or the President.

Section 9.12. Assistant Treasurers.

In the absence or disability of the Treasurer or when so directed by the Treasurer, any Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each Assistant Treasurer shall perform such other duties as may be assigned by the Board, the President, or the Treasurer.

ARTICLE 10 – NOTICE

Section 10.1. Written Notice.

Except as set forth in Section 8.4 (Special Meetings of the Board), whenever written notice is required to be given to any person, it may be given to the person, either personally or by sending a copy by first class or express mail, postage prepaid, or by courier service, charges prepaid, or by facsimile or electronic mail, to his or her address (or to his or her facsimile number or electronic mail address) appearing on the books of the Corporation or supplied by the Member or Director, as the case may be, to the Corporation for the purpose of receiving notices. If the notice is sent by mail, or courier service, it shall be deemed to have been given when deposited in the United States mail or with a courier service for delivery to that person or, in the case of facsimile or electronic mail, when sent unless the facsimile results in a failed confirmation report received by the sender or the electronic mail is returned as

undeliverable. A notice of meeting shall specify the date, time and place of the meeting and any other information required by the Act.

Section 10.2. Waiver of Notice in Writing.

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

Section 10.3. Waiver of Notice by Attendance.

Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 11 – CONFLICTS OF INTEREST

Section 11.1. Interested Directors and Officers.

No contract or transaction between the Corporation and one or more of its Members, Directors, or officers or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the Member, Director, or officer is present at or participates in the meeting of the Board which authorizes the contract or transaction, or solely because his, her, or their votes are counted for that purpose, if:

- (a) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board and the Board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors even though the disinterested Directors are less than a quorum;
- (b) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Members entitled to vote thereon, if any, and the contract or transaction is specifically approved in good faith by vote of such Members; or
- (c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved, or ratified by the Board or the Members.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes the contract or transaction.

ARTICLE 12 – STANDARD OF CARE

Section 12.1. Standard of Care; Justifiable Reliance.

A Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including 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 the 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, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including, without limitation, financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more officers or employees of the 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 person; or
- (c) A Committee of the Board upon which the Director does not serve, duly designated in accordance with law, 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 12.2. Presumption.

Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by the Board, Committees of the Board, or by individual Directors, or any failure to take any action, shall be presumed to be in the best interests of the Corporation.

Section 12.3. Notation of Dissent.

A Director who is present at a meeting of the Board, or of a Committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this Section shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of the minutes, the Director notifies the Secretary, in writing, of the asserted omission or inaccuracy.

ARTICLE 13 – LIMITATION OF LIABILITY; INSURANCE

Section 13.1. Limitation of Liability of Directors.

A Director shall not be personally liable, as such, for monetary damages for any action taken or any failure to take any action as a Director unless:

- (a) The Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of the Act; and
- (b) The breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

This Section shall not apply to (1) the responsibility or liability of a Director pursuant to any criminal statute, or (2) the liability of a Director for the payment of taxes pursuant to federal, state, or local law. Any repeal or amendment of this Section shall be prospective only and shall not increase, but may decrease, a Director's liability with respect to actions or failures to act occurring prior to such change.

Section 13.2. Director and Officer Insurance.

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the Act. The Corporation's payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Corporation. To the extent that such insurance coverage provides a benefit to the insured person, the Corporation's payment of premiums with respect to such insurance shall be provided in exchange for the services rendered by the insured person and in a manner so as not to constitute an excess benefit transaction under section 4958 of the Internal Revenue Code of 1986, as amended.

ARTICLE 14 – INDEMNIFICATION

Section 14.1. Representative Defined.

For purposes of this Article, "representative" means any Director or officer of the Corporation.

Section 14.2. Third-Party Actions.

The Corporation shall indemnify any representative who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a director or officer of

another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 14.3. Derivative and Corporate Actions.

The Corporation shall indemnify any representative who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of the action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the 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 the court of common pleas of the judicial district embracing the county in which the registered office of the Corporation is located or the court in which the action was brought 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 14.4. Procedure for Effecting Indemnification.

Unless ordered by a court, any indemnification under Section 14.2 or Section 14.3 shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in those Sections. The determination shall be made:

- (a) By the Board by a majority vote of a quorum consisting of Directors who were not parties to the action or proceeding or
- (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.

Section 14.5. Advancing Expenses.

The Corporation shall pay expenses (including attorneys' fees) incurred in defending any action or proceeding referred to in Section 14.2 or Section 14.3 in advance of the final disposition of the action or proceeding upon receipt of any undertaking by or on behalf of the representative to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article or otherwise.

Section 14.6. Supplementary Coverage.

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Act, or any bylaw, agreement, vote of the Members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office. Article 11 (relating to conflicts of interest) shall be applicable to any bylaw, contract, or transaction authorized by the Directors under this Section. However, no indemnification may be made by the Corporation under this Article or otherwise to or on behalf of any person to the extent that:

- (a) The act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted self-dealing, willful misconduct, or recklessness; or
- (b) The Board determines that under the circumstances indemnification would constitute an excess benefit transaction under section 4958 of the Internal Revenue Code of 1986, as amended.

Section 14.7. Duration and Extent of Coverage.

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of that person.

Section 14.8. Reliance and Modification.

Each person who shall act as a representative of the Corporation shall be deemed to be doing so in reliance upon the rights provided by this Article. The duties of the Corporation to indemnify and to advance expenses to a representative provided in this Article shall be in the nature of a contract between the Corporation and the representative. No amendment or repeal of any provision of this Article shall alter, to the detriment of the representative, his or her right to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment or repeal.

ARTICLE 15 – ANNUAL REPORT

Section 15.1. Fiscal Year.

The fiscal year of the Corporation shall begin on October 1 of each year.

Section 15.2. Annual Report.

The Board shall present annually to the Members a report, verified by the President and Treasurer or by a majority of the Board, showing in appropriate detail the following:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.
- (b) The principal changes in assets and liabilities, including the trust funds, during the year immediately preceding the date of the report.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.
- (e) The number of Members of the Corporation as of the date of the report, together with a statement of increase or decrease in such number during the year immediately preceding the date of the report, and a statement of the place where the names and addresses of the current Members may be found.

The annual report of the Board shall be filed with the minutes of the meetings of the Members.

ARTICLE 16 – TRANSACTION OF BUSINESS

Section 16.1. Real Property; Indebtedness.

The Corporation shall make no purchase of real property nor sell, mortgage, lease away or otherwise dispose of its real property, nor incur any indebtedness (whether secured or not by any real property) unless authorized by the vote of two-thirds (2/3) of the Board, except that if there are twenty-one (21) or more Directors, the vote of a majority of the Board shall be sufficient. If any real property to be conveyed is subject to a trust, the conveyance away shall be free of trust and the trust shall be impinged upon the proceeds of such conveyance. The foregoing limitations shall not apply to any purchase money security interests granted in

connection with the purchase and/or leasing of business or program equipment by the Corporation in the ordinary course of business.

Section 16.2. Negotiable Instruments.

The Board shall designate one or more officers or other persons who shall sign all checks or demands for money and notes of the Corporation.

ARTICLE 17 – CORPORATE RECORDS

Section 17.1. Corporate Records.

The Corporation shall keep (1) minutes of the proceedings, resolutions and votes of the Members and the Board, (2) a membership register showing the names and addresses of the Members and the class and other details of membership, (3) rosters of all Committee chairs and members, and (4) appropriate, complete, and accurate books or records of account, at its registered office or the principal place of business or any actual business office of the Corporation.

ARTICLE 18 – AMENDMENTS

Section 18.1. Amendments.

Except as otherwise provided by the Act, the Bylaws of the Corporation may be amended by a majority vote of the Board at any meeting after notice of such purpose has been given.