

BY-LAWS OF
PENNSYLVANIA MENTAL HEALTH CONSUMERS' ASSOCIATION

ARTICLE I - NAME

As set forth in the corporations articles of incorporation (the "Articles"), the name of the corporation is Pennsylvania Mental Health Consumers' Association.

ARTICLE II - PURPOSE AND OBJECTIVES

Subject to the terms and conditions contained in the Articles (including, especially, those pertaining to Section 501(c)(3) and other sections of the Internal Revenue Code of 1986), the primary purpose of the organization is to provide a statewide structure of members and groups to assist in the improvement of the quality of life for all Pennsylvania consumers of mental health services, and to aid in the development of a voluntary consumer/ex-patients movement toward permanent changes in political, legal and social policies toward persons with chronic mental illness.

Objectives sought in furtherance of that purpose shall include, but shall not be limited to the following:

- The ending of stigma relating to, discrimination against, and other forms of mistreatment of present and former consumers of mental health services.
- Protection of the rights of present and former consumers of mental health services.
- Self-advocacy and advocacy with other groups.
- The adoption of a statewide policy reflecting the principles of the corporation.
- Improved care and treatment of individuals within Pennsylvania's mental health systems.

- Achieving representation by mental health consumers on boards, committees and commissions which influence or determine public policy at every level of governmental systems in Pennsylvania affecting the provision of mental health services.
- Assisting local consumer self-help organizations in educating the people of Pennsylvania and its mental health systems about the issues and concerns facing consumers of mental health services across the Commonwealth.

ARTICLE III - CORPORATE OFFICES; SEAL

1. Registered Office. The registered office of the corporation shall be as shown in the records of the Pennsylvania Department of State. If changed, such office shall be at a location in Pennsylvania selected by the Board of Directors.

2. Other Offices. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the corporation may require.

3. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Pennsylvania.”

ARTICLE IV - MEMBERS

1. Classes of Memberships. There shall be four classes of memberships in the corporation: two classes of voting members (the “Voting Members” or “Voting Membership”) and two classes of non-voting members (the “Non-voting Members” or “Non-voting Membership”), as follows:

(1) Regular Members: These are individual members who are or have been recipients of mental health services. They shall be Voting Members who have as many votes as there are directorships to be filled by election of the Voting Membership.

(2) Consumer Organizations: This class of membership consists of organizations of individuals in Pennsylvania who are or have been recipients of mental health services. These organizations shall be Voting Members, each having as many votes as there are directorships to be filled by election of the Voting Membership (that is, each Consumer Organization has the same number of votes as each Regular Member, irrespective of the number of individuals who comprise any particular Consumer Organization).

(3) Supporting Individuals: This class of Non-voting Members consists of individuals who do not identify themselves as mental health consumers but wish to join the organization in order to support its work.

(4) Associate Organizations: This class of Non-voting Members consists of agencies or organizations that are not consumer agencies or organizations but that wish to be associated with the corporation in order to support its work.

The term “Membership,” unless otherwise qualified, shall mean the entire body of all members, whether or not such are entitled to vote.

Memberships are further classified by one of the 10 Regions (see Article V, Section 1), and Voting Members may not cast votes for Regional director-nominees from Regions other than their own.

2. Becoming a Member; Membership Dues; Other Designations. To join the corporation as a member, Voting and Non-voting members shall complete and return to the corporation their applications or re-applications for membership on an annual basis, and shall pay such dues as the Board of Directors, by way of a dues schedule, shall direct. In addition to setting dues schedules, the Board shall have the power to:

- (1) Vary the annual dues according to membership class;
- (2) Waive dues;
- (3) Change the dues schedule with or without notice;
- (4) Otherwise retain sole control of matters and policies pertaining to

membership dues and subscriptions generally.

The Board shall also have the power to designate honorary or other special memberships or sub-classes of memberships.

3. General Privileges and Obligations of Membership. Members of the corporation, Voting and Non-voting, shall have the benefits and privileges conferred upon them in these By-Laws, the corporation's Articles of Incorporation as well as the Nonprofit Corporation Law, including the privilege of nominating candidates for membership on the Board of Directors by vote of the Voting Membership, and attending the Annual and other meetings of the Membership. In addition to casting votes for nominees for election to the Board of Directors, the Voting Members may vote for or against other action of the Membership. The corporation may issue certificates of membership evidencing a member's particular status as such, and any such certificate shall show conspicuously on its face the words "nonprofit corporation." By action of the directors, the corporation may elect to charge and collect membership dues.

4. The Annual Meeting of the Membership. The Annual Meeting of the Membership shall be held in the fourth quarter of the fiscal year at a location in Harrisburg or elsewhere in Pennsylvania as determined by the Board of Directors. At the Annual Membership Meeting:

- (1) The President or Treasurer shall present the Annual Report of the corporation;
- (2) The President shall announce the results of the election of directors by the Voting Membership; and
- (3) The Voting Membership shall conduct such other business as may be specified in the notice of the Meeting or as shall otherwise properly come before the Meeting.

5. Special Meetings of the Membership. The Membership shall not otherwise meet regularly (that is, except for its Annual Meeting), but, by a petition signed (in counterparts, as the case may be) by any group of the Voting Membership who hold, in the aggregate, not less than 10% of the votes which all Voting Members would be entitled to cast at such specially-called meeting or any other meeting of the Voting Membership, such group may call a Special Meeting by requesting of the Secretary of the corporation that he or she issue notices for and otherwise schedule a Special Meeting of the (entire) Membership to be held at an appropriate location in Harrisburg or elsewhere in Pennsylvania. The Board shall (also) likewise have the power to call a Special Meeting of the Membership. In either event, the Secretary shall afford 60 days' advance written notice of the Special Meeting.

6. Notices of the Annual Meeting of the Membership shall be given not less than 30 days prior to the date identified in such notice for the meeting, unless a longer notice period is otherwise specified in these By-Laws.

7. Quorum. A meeting of the Membership requiring action by the Voting Membership shall not be organized for the transaction of business unless a quorum of the Voting Membership is present, as follows:

(1) The presence of Voting Members entitled to cast at least 10% of the votes which all Voting Members would be entitled to cast on the matters to be acted upon, were they present at the meeting, shall constitute a quorum. In effect, a quorum equals 10% of the Voting Membership.

(2) The Voting Members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

(3) If a meeting cannot be organized because a quorum has not attended, those present (other than by Ballot) may adjourn the meeting to such time and place as they may determine.

8. Action by the Voting Membership. The acts at a duly organized meeting of the Voting Members present (whether by personal appearance, use of teleconference equipment or Ballot) entitled to cast at least a majority of the votes which all Voting Members present and voting are entitled to cast, shall be the acts of the Voting Membership. In effect, majority vote will carry the motion.

9. Ballots. Voting Members shall vote by Ballots. As the term is used in these By-Laws, "Ballots" are proxies under the Nonprofit Corporation Law, and, as such, may be used to:

- (1) Establish legal presence at a meeting;
- (2) Vote for directors;
- (3) Vote for or against other action; or
- (4) Express a Voting Member's consent or dissent to any corporate action.

10. Chairing Meetings. The President shall preside over the Annual and any Special Meeting of the Membership. See Article VI, Section 3 (1).

11. Nominating Directors. Nominations to Regional directorships shall be made by the Membership acting in response to solicitations for nominees from the Board of Directors. The Board shall retain the power to nominate At-Large director-nominees. See Article V, Section 2.

ARTICLE V - DIRECTORS

1. Board Array. The business and affairs of the corporation shall be conducted under the direction and oversight of the corporation's Board of Directors, sometimes referred to herein as "the Board" or "the directors," which shall be composed of natural persons at least 18 years of age who are residents of, or regularly work at least 20 hours weekly in, Pennsylvania and who are Regular Members of the corporation. The Board shall consist of representatives from a wide geographic and cultural range, representing ten designated Pennsylvania regions (the "Regions") to assure, to the extent possible, fair representation from rural areas. In furtherance of the foregoing, the Board shall be comprised of 19 individuals as follows:

(1) ten (10) individuals elected as representatives of the Regions (the "Regional Directors"), and

(2) nine (9) individuals elected to provide knowledge, diversity and expertise (the "At-Large" Directors). Of the 9 "At-Large positions, two (2) positions shall be reserved for the Chairperson of the Consumer Satisfaction Team Alliance (CSTAP) Steering Committee and the Chairperson of the PA Peer Support Coalition Steering Committee. "

2. Terms of Service; Term Classes. Each director shall be elected to serve a two-year term and until his or her successor is elected and shall qualify. No director shall serve for

more than three consecutive terms, except that this limitation shall not prevent a director from serving a portion or fraction of a term not longer than 13 months in addition to three consecutive terms, whether to fill a vacancy, allow for the balancing of staggered directors' terms, or for other valid reasons (such as to enable the out-going President to serve on the Board for one additional year), all as the Board of Directors shall determine. A director who has served three consecutive (full) terms shall be eligible for re-election to the Board after at least one year has elapsed since his or her service on the Board, unless otherwise disqualified. There shall be two term classes of directors, as follows:

(1) Regional director-nominees from Regions 1 through 5 shall be elected to terms commencing in odd-numbered years, and those from Regions 6 through 10 shall be elected to terms commencing in even-numbered years.

(2) At-Large director-nominees shall be assigned to odd- and even-numbered year term classes by the Board, which classes will be of equal or almost-equal sizes.

3. Regular Meetings of the Board of Directors shall be held in Harrisburg, Pennsylvania or elsewhere in Pennsylvania, four times during a fiscal year on such dates, at such times and at such locations as the Board of Directors shall determine.

At the Regular Meeting that precedes the Annual Meeting, the Board shall act upon the presentation for confirmation of nominations (as to Regional director-nominees) and recommendations (as to At-Large director-nominees) of the Nominating, Personnel and Rules Committee of the Board (see Sections 2 and 10 (1) of this Article V).

4. Special Meetings of the Board may be called by the President on his or her own initiative or at the request of any three other directors, upon ten days' prior notice, whether or not

there is an emergency, except that, by citing pressing circumstances, the President or such three other directors may specify a 36-hour emergency notice period and process designed to afford notice to every Board member who is, at the time reasonably close to an available telephone (oral emergency notice being sufficient), and to solicit written notice waivers from those Board members who are not so proximate.

5. Notices Generally. Except as otherwise provided in these By-Laws, written notice of every meeting of the Board of Directors shall be given to each director at least 10 days prior to the day identified for the meeting.

6. Quorum for the transaction of business or the taking of action at any meeting of the Board, whether such meeting be a regular or specially called meeting, shall consist of an array of not less than a majority of directors then in office. Presence at a meeting may be accomplished by teleconference. See Article X Section 8.

7. Board Action. At any meeting at which such quorum is present:

- (1) action by a majority of such (quorum-making) directors shall be required to constitute Regular Action (defined as Board action other than Special Action),
- (2) action by not less than two-thirds (%) of such (quorum-making) directors shall be required to constitute Special Action of the Board.
- (3) Any action by the Board at a Regular or Special Meeting shall require the presence of the requisite quorum at all material times during the meeting (allowing for brief absences) when the subject of the action is under discussion, consideration or vote (including, as the case may be, presence by teleconference equipment as specified by law).

(4) Board members shall not be eligible to use proxies to establish a quorum or to take action.

8. Removal and Resignation. Directors may be removed from their offices as such, with or without cause, by Special Action of the Board. Resignation by a director shall be effective at the time the Secretary or President receives written notice of such from the resigning Board member, provided, however, that any director absent without being excused from more than 50% of the regular meetings of the Board during any fiscal year of the corporation shall be deemed to have resigned from the Board, absent action by the Board to reinstate such individual to the Board.

9. The Annual Meeting of the Board shall take place in the fourth quarter of the fiscal year, in Harrisburg, Pennsylvania, or other Pennsylvania location as the Board may choose, at a time near but before the time set for the Annual Membership Meeting. At the Annual Board Meeting, the directors shall:

- (1) Elect or appoint the corporate officers for the ensuing year;
- (2) Tabulate or confirm the tabulation of the Ballots cast by the Voting Membership to elect directors for the ensuing year;
- (3) Act upon the Annual Report of the Corporation; and
- (4) conduct such other business as may come before the meeting.

10. Board Committees.

(1) There shall be an Executive Committee comprised of the President, the two Vice Presidents, the Secretary, the Treasurer and the Executive Director, whose function

shall be to act in lieu of the full Board between meetings of the Board subject, always, to the power of the Board to change any action of the Executive Committee.

(2) There shall be a Personnel, Rules and Nominating Committee, the functions of which shall be to (i) design, create, amend and otherwise oversee personnel policies, handbooks and procedures for approval by the Board, to address employee, member and volunteer grievances as may be assigned to it by the Board, (ii) propose to the Board (for Board action subject to ratification by the Membership) rules, regulations and policies (and amendments thereto) pertaining to Members and Membership, (iv) solicit from the (entire) Membership nominations for Regional Directors and present such to the Board, (v) recommend slates of At-Large Directors to the Board and issue, collect, tabulate and report respecting Ballots returned from Voting Members, and (vi) do other things generally incumbent upon Board committees dealing with matters pertaining to human resources, volunteers, employment policies and constituencies generally.

The Board shall have the power to add to or diminish the functions of this committee, to divide it into one or more resulting committees, and to change its name without having to amend these By-Laws.

(3) Other Committees. The Board of Directors may establish one or more other committees consisting of one or more directors and such other individuals as the Board may invite to so serve. Such committees shall serve at the pleasure of the Board, and the function of each such committee shall be to make recommendations to the Board and do such other things as the Board directs.

(4) Under no circumstances shall any committees of the Board, other than the Executive Committee, the actions of which may be reversed or otherwise changed by the Board, have authority to act in lieu of the Board, and any such attempted delegation by the Board shall be null and void.

11. No Compensation. No member of the Board of Directors may be compensated for his or her services as such, except that a director may be reimbursed for expenses actually and reasonably incurred in the proper performance of his or her duties as such director.

12. Directors' Fiduciary Duties. A director of the Corporation shall stand in a fiduciary relation to the 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 he or she may serve, in good faith, in a manner he or she 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 financial statements and other financial data, in each case prepared by any of the following:

(1) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(2) 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;

(3) a committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which the director reasonably believes to merit confidence.

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

In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual directors may, in considering the best interests of the corporation, consider the effects of any action upon employees, upon suppliers and beneficiaries of the facilities and services of the corporation and upon communities affected by the operations of the corporation, and all other pertinent factors.

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the corporation.

13. Pennsylvania Directors' Liability Act Provisions. A director of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(1) the director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of Title 15 of Pennsylvania Consolidated Statutes (or such successor legislation as may provide qualified immunity to directors in like circumstances), from which the above-stated standards are derived, and

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

The liability-limiting provisions of this Section shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, state or federal law.

14. Interested Insiders Transactions. Generally, it is the policy of the corporation to discourage contracts, arrangements, commercial dealings or transactions (collectively, “Transactions”) between the corporation and its directors, officers or members or with any other entity in which a director, officer or member has a material interest (for example, an interest materially greater than ownership in the context of an investment portfolio of securities in a publicly-treated entity). However, such policy also recognizes that there may be times when it is advantageous to the corporation to enter into a Transaction with such interested person (called, for purposes of these By-Laws, “Interested Insider Transaction”) provided that:

(1) the material facts as to the relationship and interest and as to the Transaction are disclosed or are known to the Board of Directors and the Board on good faith authorizes the Transaction by the affirmative votes of a majority of disinterested directors (even though the disinterested directors are less than a quorum); and

(2) the Transaction is specifically approved in good faith by Regular Action of such disinterested directors, and

(3) the Transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the Board.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves or ratifies an Interested Insider Transaction, but shall not vote with respect to such Transaction.

ARTICLE VI - OFFICERS

1. Board Officers. The Board Officers of the corporation, who shall at all times be subject to the authority and power of the Board, shall be appointed from among the Board

membership by Regular Action of the Board at the Annual Meeting of the Directors and at other times, as may be required, and shall consist of a President, a 1st Vice President, a 2nd Vice President, a Secretary, and a Treasurer. By Special Action the Board may create such other offices and appoint such other officers as the needs of the corporation may require.

2. Terms of Office -- Board Officers. The Board Officers shall hold their offices for terms of one (1) year and shall have such authority and shall perform such duties as are provided by these By-Laws and as shall from time to time be prescribed by the Board. The Board of Directors may secure the fidelity of any or all such Officers by bond or otherwise.

3. Removal of Board Officers. Any Board Officer may be removed by Special Action whenever in its judgment the best interests of the corporation shall be served thereby, but such removal shall be without prejudice to the contract rights of any person removed.

4. Specific Duties of the Board Officers.

(1) The President shall be the Chair of the Board as well as of the Membership and, as such, shall preside at all meetings of the directors and the Executive Committee (and when acting in that capacity may be called “the Chair”) and shall develop the meeting agenda along with the Executive Director; shall see that all orders and resolutions of the Board and its Executive Committee are carried into effect, subject, however, to the right of the directors to delegate any specific executive powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the Corporation. The President is a partner with the Executive Director in achieving the organization’s mission and vision. He or she shall be an *ex officio* member of all committees except the Personnel, Rules and Nominating Committee, and shall have the general powers and duties of supervision usually and customarily

vested in the offices of president and board/membership chair on an uncompensated basis. The President monitors financial planning and financial reports. He or she will oversee the Board's annual evaluation of the Executive Director.

(2) The 1st Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall aid the President and perform such other duties as may be required of him or her from time to time by the Board, and shall succeed to the office of President in case of a vacancy in that office. This position is also successor to the Presidential position if the President resigns mid-term.

(3) The 2nd Vice President shall perform the duties of the 1st Vice President in the event of that officer's absence or disability and shall succeed to the office of 1st Vice President upon a vacancy in that office.

(4) The Secretary or his or her designee (which designation shall be subject to Board consent) shall attend all sessions of the Board and act as clerk thereof, and record all the votes of the Board and the minutes for all its transactions in a book kept for that purpose; and shall perform like duties for any and all committees of the Board of Directors when so required by the Board. He or she shall give, or cause to be given, notices of all meetings of the Board and the Membership, shall ensure the accuracy, safekeeping and proper distributions of minutes and other non-financial corporate records of the corporation, and shall certify all such records and authenticate the signatures of any of the other officers of the corporation, as may be necessary or appropriate, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall also keep in safe custody the corporate seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it.

(5) The Treasurer shall have oversight of the custody of the corporate funds and securities and shall cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall assure that the moneys, funds and intangible assets generally of the corporation are held in proper accounts to the credit of the corporation. He or she shall ensure the review of financial policies and procedures. He or she shall render to the President and the Board, at the Annual Meeting of the Board, and otherwise as may be required, an account of the transactions and of the financial condition of the corporation and shall present to the Board the financial components of the corporation's Annual Report.

5. Founding President. The Founding President, an honorary position, shall offer advice, technical assistance and historical perspective when necessary and may be a member of the Board and hold office as well. However, if not a member of the Board, the Founding President shall not have voting privileges. The position of Founding President is not in itself considered an Office of the Board.

6. Executive Director. There shall be an Executive Director, who shall be the chief executive and operating officer of the corporation. He or she shall have the duties and responsibilities, and be compensated, as the Board shall determine.

7. Other Executive Officers. With the consent of the Board, the Executive Director may create other subordinate executive offices, and assign individuals to fill such offices.

7. Signing Authority. See Article X Section 4.

ARTICLE VII - BOOKS AND RECORDS

1. Location. Without limiting the scope of documents or records otherwise maintained by the corporation, the corporation shall keep and maintain, at its principal office, an original or duplicate record (i.e., minutes) of the proceedings of the Voting Membership, the Board of Directors and its Executive Committee, any compilation of such records (called the corporation's "Minute Book" regardless of how such are actually maintained), these By-Laws, including all amendments thereto to date, the Articles, with all amendments to date, in form as returned from filing in the Pennsylvania Department of State, all forms or returns filed with and all applications to and all rulings or determinations concerning the corporation from the Internal Revenue Service, together with all existing material contracts of an executory nature having terms in excess of one year.

2. Financial Statements and Annual Report. The corporation shall produce, not less often than annually, financial statements audited in accordance with applicable accounting principles and standards by an accounting firm as the Board shall choose, and the President shall produce the corporation's Annual Report bases upon information provided by the Treasurer.

3. Right to Examine Books. The directors and their authorized representatives shall have the right to examine the books and records of the corporation during normal business hours and, upon request by a director or his or her representative, the corporation shall produce copies of such items for his, her or its proper use.

4. Definition of Books and Records. As used in this Article, the phrase "books and records" shall mean all items (whether paper, photographic or electronic media capable of

being reproduced on paper) set forth in Section 1 of this Article VII, as well as those items of which the Treasurer shall have custody or control as set forth in Section 7 of Article VI.

ARTICLE VIII - NOTICES

1. Transmission. Whenever written notice is required to be given to any person hereunder, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid, by telegraph (charges prepaid) or telecopier (confirmed by telephone) to him or her or her address appearing on the books of the corporation. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States Postal Service or with a telegraph office for transmission to such person; if by telecopier, at the time of confirmation of receipt. A notice of a meeting shall specify the place, day and hour of the meeting and any other information required by the statute or these By-Laws. When a special meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at a reconvened meeting, other than by announcement at the meeting at which such adjournment is taken.

2. Waiver. Whenever any written notice is required to be given under the provisions of a statute or the Articles or By-Laws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by the Nonprofit Corporation Law, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting.

ARTICLE IX - INDEMNIFICATION

1. Indemnification Terms. The corporation shall indemnify, to the extent permitted by and under the Nonprofit Corporation Law and under these By-Laws, any person who was or is a party (other than a party plaintiff suing on her or his own behalf or in the right of the corporation), or who is threatened to be made such a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, but not limited to, an action by or in the right of the corporation) by reason of the fact that she or he is or was a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise (such person being herein called an “Indemnified Person”), against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by her or him in connection with such action, suit or proceeding unless 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.

2. Indemnification Powers. The corporation shall have the power to indemnify any person who is or was an agent of the corporation, or is or was serving at the request of the corporation as an agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by her or him by reason of her or his services on behalf of the corporation, except as prohibited by law.

3. Expenses. Expenses incurred by an officer, director, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized in the manner provided in

Section 4 of this Article, upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that she or he is not entitled to be indemnified by the corporation as authorized in this Article.

4. Indemnification Determinations.

(1) Any indemnification under Section 1 of this Article (unless ordered by a court) shall be made by the corporation unless a determination is reasonably and promptly not proper in the circumstances because she or he has not satisfied the terms set forth in Section 1.

(2) Expenses shall be advanced by the corporation to a director, officer or employee upon a determination that such person is an Indemnified Person as defined in Section 1 of this Article and has satisfied the terms set forth in Section 3 of this Article.

(3) Any indemnification under Section 2 of this Article or advancement of expenses to an agent under Section 3 of this Article (unless ordered by a court) may be made upon a determination that the agent has satisfied the terms of Section 2 or, as applicable, and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity or advancement of expenses.

(4) All determinations under this Section 4 shall be made:

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

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

5. Other Rights of Indemnification. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested directors or otherwise, both as to action in her or his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

6. Scope of Insurance. The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation, partnership, joint venture, trust or other enterprise against any liability asserted against her or him and incurred by her or him in any such capacity, or arising out of her or his status as such, whether or not the corporation would have the power to indemnify her or him against such liability under the provisions of this Article. Such insurance may include coverage for punitive or exemplary damages.

7. Mandatory Insurance. The corporation shall purchase and continuously maintain, at its own expense, directors and officers liability and corporation reimbursement insurance in such amounts and with such insurer(s) as the Board shall determine. In addition, to the extent such is available to the corporation at a reasonable price; the corporation shall purchase and maintain, at its own expense, employment practices liability insurance.

ARTICLE X - MISCELLANEOUS PROVISIONS

1. Annual Report. The Annual Report of the corporation shall contain the financial statements or a summary of the financial statements of the corporation for the fiscal year ended the prior June 30. Such Report shall show assets and liabilities, principal changes in

assets as compared with the previous fiscal year, revenues and receipts and expenses and disbursements. The Annual Report shall also reveal the number of members of the corporation as of the date of the Report, and shall contain a statement of increase or decrease in such number during the fiscal year ended, and a statement indicating where a current and accurate list of the names and addresses of the Members may be found. The Report shall otherwise conform to the requirements of the Nonprofit Corporation Law, and shall be placed in the Minute Book of the corporation.

2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July and end the thirtieth day of June.

3. Gifts. The Board shall have the power and authority to act by resolution to accept and reject gifts of money and other property, whether deemed unrestricted or temporarily or permanently restricted.

4. Officers' Signing Authority. The Board shall at all times retain the power to designate which (Board or executive) officers have standing or other authority to execute checks, drafts, notes, contracts, instruments and other documents and things on behalf of the corporation.

5. Procedures at Meetings. The Board Chair may use any procedure he or she wishes, whether or not termed parliamentary, at any meeting of the Board (or its Executive Committee) or the Membership, provided that such method:

(1) Is comparable to methods widely utilized by boards of nonprofit corporations in Pennsylvania, and

(2) Fairly seeks to solicit the views of all those present at a meeting.

6. References to Law. Unless the context suggests otherwise, references to the Nonprofit Corporation Law shall mean the Pennsylvania Nonprofit Corporation Law of 1988, Dec 21, P.L. 1444, No. 177; 15 Pa.C.S.A. " 5501 *et seq.*, or its successor.

7. Subventions. The corporation shall be authorized, by resolution of the Board, to accept subventions in accordance with the Nonprofit Corporation Law, and to issue certificates therefore.

8. Use of Teleconference Equipment. One or more persons may participate in a meeting of the Board or of the Members by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

ARTICLE XI - AMENDMENTS

1. Amendments by Directors. The Board of Directors shall have the power to amend these By-Laws, provided that such amendments ("Board Amendments") do not address matters identified in Section 3, below.

2. Voting Members May Overturn the Board. Notwithstanding the power imparted in Section 1, above, the Voting Membership retains the power to change Board Amendments.

3. Amendments Reserved by Law to the Voting Membership. Only the Voting Membership shall have the power to make amendments to these By-laws respecting with respect to any matter addressed in the following sections of the Nonprofit Corporation Law ("Members' Amendments"):

- (1) Section 5505(d) (relating to amendment of voting provisions).
- (2) Section 5713 (relating to personal liability of directors).
- (3) Section 5721 (relating to Board of Directors).
- (4) Section 5725(b) (relating to selection of directors).
- (5) Section 5726(a) (relating to removal of directors by the members).
- (6) Section 5726(b) (relating to removal of directors by the Board).
- (7) Section 5729 (relating to voting rights of directors).
- (8) Section 5751(a) (relating to classes and qualifications of membership).
- (9) Section 5754(a) (relating to members grouped in one of the ten Regions).
- (10) Section 5755(a) (relating to Regular Meetings).
- (11) Section 5756 (relating to quorum).
- (12) Section 5757 (relating to action by the Voting Membership).
- (13) Section 5758 (relating to voting rights of members).
- (14) Section 5759(a) (relating to voting and other action by proxy).
- (15) Section 5760(a) (relating to voting in nonprofit corporation matters).
- (16) Section 5762 (relating to judges of election).
- (17) Section 5766(a) (relating to termination and transfer of membership).
- (18) Section 5975(c) (relating to winding up and distribution).

4. Method of Amendment.

- (1) The Board shall be responsible for drafting all proposed amendments and for ensuring that the Secretary provides a method for the Voting Members to acquire copies of

the proposed amendments or proposed restated By-Laws not less than 10 days prior to the date for taking action upon such proposed amendments or restated By-Laws.

(2) In the case of Board Amendments, Special Action by the Board shall be required to make amendments. See Article V subsection 7 (2).

(3) In the case of Membership Amendments, (regular) action by the Voting Membership shall be required to make amendments. See Article IV Section 8.

(4) Nothing contained in these By-Laws shall prohibit the Board from:

(i) correcting any errors obvious upon the face of an edition of the By-Laws; or

(ii) waiving its power to make amendments respecting subjects not reserved to the Voting Membership.