

## BYLAWS

### CHESTER AVENUE DOG ASSOCIATION

A Pennsylvania Nonprofit Corporation

#### ARTICLE 1 PURPOSES

1.1 General Purpose. The general purpose of the Corporation is as a social club pursuant to 501(c)(7) of the Internal Revenue Code of 1954, and its amendments, and the Pennsylvania Nonprofit Corporation Law of 1988, as amended (“the Act”).

1.2 Specific Purpose. The specific purpose of the Corporation is to provide a social club for dog owners in West Philadelphia which promotes fellowship, responsible dog ownership, and engagement in the local community, and for other pleasure, recreation and similar nonprofitable purposes. To this end, the Corporation will operate a dog park located on real property at 48th Street and Chester Avenue (“dog park”) owned by Park Pleasant, Inc., or at any other location as shall be determined from time to time by the Members.

#### ARTICLE 2 OFFICES AND FISCAL YEAR

2.1 Registered Office. The registered office of the Corporation in the Commonwealth of Pennsylvania shall be care of Calvary Center, 801 S. 48th Street, Philadelphia, PA, 19143 until otherwise established by a vote of a majority of the Board of Directors in office (the “Board”), and a statement of such change is filed with the Department of State; or until changed by an appropriate amendment of the articles of the Corporation.

2.2 Other Offices. The Corporation may also have offices at such other places within or without the United States of America as the Board may from time to time appoint or the business of the Corporation requires.

2.3 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September.

#### ARTICLE 3 MEMBERS

3.1 Number and Classes of Members. There shall be one class of Members. A member shall include all individuals whose residence is the same dwelling. Membership shall be capped as determined by the Members from time to time.

3.2 Dues. The dues of the membership shall be set annually by the Members. Dues shall be payable for the upcoming year on October 1st of each year.

3.3 Work hours requirement. The Members may require Members to contribute a certain number of work hours per year toward furthering the goals of the organization.

3.4 Membership/key deposit. The Members may require a deposit from each member to assure the return of the dog park key upon termination of membership. The amount of such deposit and the terms of its return to departing Members shall be set by the Members.

3.5 Requirements for Membership. The Members may establish any additional criteria for membership. Approval for membership may be denied for any reason deemed sufficient by the Board even though the applicant may meet the stated criteria for membership.

3.6 Regular Meetings. Meetings shall be held as determined by the Board.

3.7 Annual Meetings. The annual meeting of the Members shall be held on or before November 31st of each year upon ten (10) days notice to the Members at such place as the Board shall determine.

3.8 Special Meetings. Special meetings of the entire membership may be called by a majority of the Board, or at the written request of 10% of the membership. At least five (5) days' written notice stating the time, place and purpose of any special meeting shall be given to the Members entitled to participate.

3.9 Quorum. Those Members present at a meeting shall constitute a quorum for the transaction of business at the meeting, provided that all active Members of the Corporation have been notified of the meeting as prescribed in this Article and in Article 7.

3.10 Voting. Each member shall be entitled to one vote. Unless otherwise required by these Bylaws, the manner of voting on any matter, including changes to the Articles of Incorporation or bylaws, may be by voice vote, show of hands, or by ballot, as determined by the Members present at any meeting, or by mail, e-mail, or online survey if determined by the Board of Directors and a paper, e-mail, or online ballot is provided with notice of the question to be voted upon.

3.11 Confirmation of Membership. If at any meeting, the right of any person to vote is challenged, the presiding officer shall require the books or records of the Corporation to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be active Members may vote.

3.12 Unanimous Consent of Members in Lieu of a Meeting. Any action which may be taken at a meeting of Members may be taken without a meeting if a consent or consents in writing setting forth the action to be taken shall be signed by all of the Members and shall be filed with the Secretary of the Corporation. An e-mail stating agreement shall constitute a signature for the purposes of this section.

3.13 Suspension or Exclusion from Membership. The Corporation shall have power by act of its Board of Directors to exclude from membership any member who fails to comply with the reasonable and lawful requirements of the laws, rules and regulations duly made by the Corporation for the government of its Members without liability for an accounting; provided,

however, that action toward exclusion from membership shall not be taken until ten (10) day's notice has been given the offending member to attend a hearing before the Board of Directors. Club privileges shall be granted only if dues for the current year are paid when due. Membership can be terminated by a failure to pay the renewal fee or a failure to abide by the Rules of the Association, including any requirement for annual work hours.

3.14        State of the Corporation Report. The Board of Directors shall submit to the active Members at each Annual Meeting a report showing the state of membership and finances setting forth the transactions of the previous year.

## ARTICLE 4 BOARD OF DIRECTORS

4.1        Powers. The Board shall have full power to conduct, manage, and direct the business and affairs of the Corporation; and all powers of the Corporation are hereby granted to and vested in the Board.

4.2        Duties. It shall be the duty of the Directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the Corporation;
- (c) Prescribe rules for the government and use of dog park facilities and perform such other duties as they in their discretion may deem to be for the best interests of the Corporation.
- (d) Make or authorize all purchases necessary or desirable for the operation of the Club
- (e) Supervise all officers, agents, and employees of the Corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their mailing and e-mail addresses with the secretary of the Corporation, and notices of meetings mailed or e-mailed to them at such addresses shall be valid notices thereof.

4.3        Composition. The Board shall consist of not fewer than three (3) nor more than nine (9) Directors as may be determined from time to time by resolution of the Board. Each Director of the Corporation shall be a natural person of full age and an active member of the Association.

4.4        Initial Board of Directors. The initial Board of Directors shall be appointed by the Incorporator and shall hold terms of office of one (1) to three (3) years each, as determined by the Incorporators.

4.5        Subsequent Terms of Office. With the exception of the initial Board of Directors, each Director duly nominated and elected in accordance with these By-laws shall hold office for a term of three (3) years and until his or her successor shall have been elected and qualified, or

until his or her earlier death, resignation, or removal. Terms shall be staggered so that, as nearly as possible, an equal number of terms shall expire each year.

4.6 Compensation. Directors shall serve without compensation. Directors shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to Directors shall be approved in advance in accordance with this Corporation's conflict of interest policy, as set forth in Article 10 of these bylaws.

4.7 Organization. Meetings of the Board of Directors shall be presided over by the President. In his or her absence the Vice-President shall preside, and if neither the President nor Vice-President is present the Directors present shall elect the presiding officer for such meeting. The Secretary, or, in his or her absence, a Director appointed by the presiding officer, shall record minutes of all meetings of the Board of Directors.

4.8 Removal. Any Director may be removed from office without the assignment of any cause, by a vote of a majority of Directors in office, at a duly convened meeting of the Board, provided no more than two (2) Directors may be removed at any one meeting and that written notice of the intention to consider removal of such Director(s) has been included in the notice of the meeting. No Director shall be removed without having the opportunity to be heard at such meeting, but no formal hearing procedure need be followed. Limitations on number of Directors who may be removed shall not apply in instances where Section 5712 of the Act has been violated.

4.9 Resignations. Any Director of the Corporation may resign at any time by giving written notice to the chairman or the Secretary of the Corporation. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.10 Vacancies. The Board may declare vacant the office of a Director if he or she is declared of unsound mind by an order of court, or convicted of a felony, or for any other proper cause, or if within sixty (60) days after notice of his or her selection, he or she does not accept such office either in writing or by attending a meeting of the Board. Any vacancy or vacancies in the Board because of death, resignation, removal in any manner, disqualification, an increase in the number of Directors, or any other cause, may be filled by the election of a qualified person by a majority of the remaining Directors at any regular or special meeting duly convened after notice to all Directors in accordance with these Bylaws. The person so elected shall hold office for the balance of the applicable term.

4.11 Place of Meeting. Meetings of the Board may be held at such place within or without Pennsylvania as the Board may from time to time appoint, or as may be designated in the notice of the meeting.

4.12 Regular Meetings. Regular meetings of the Board shall be held at such time and place as shall be designated from time to time by resolution of the Board. At such meetings, the Board shall transact such business as may properly be brought before the meeting. The Board of

Directors shall hold regular meetings not less than four (4) times per annum. Notice of regular meetings need not be given unless otherwise required by law or these bylaws.

4.13 Special Meetings. Special meetings of the Board shall be held whenever called by the President or by two (2) or more of the Directors. At least five (5) days notice stating the time, place and purpose of any special meeting shall be given to the Directors of the Board.

4.14 Quorum, Manner of Acting, and Adjournment. A majority of the Directors in office shall be present at each meeting in order to constitute a quorum for the transaction of business. Every Director shall be entitled to one vote. Except as otherwise specified in the articles or these bylaws or provided by statute, the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. In the absence of a quorum, a majority of the Directors present and voting may adjourn the meeting from time to time until a quorum is present.

4.15 Unanimous Consent of Directors in Lieu of Meeting. Any action which 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 all of the Directors in office and shall be filed with the Secretary of the Corporation. An e-mail stating agreement shall constitute a signature for the purposes of this section.

4.16 Adjourned Meetings. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

4.17 Conference Telephone Meetings. One (1) or more persons may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of 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 5 OFFICERS

5.1 Positions and Qualifications. The officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers whose positions may be created from time to time by the Directors. One person may be elected to the position of two offices and may hold such title for the term of his or her election, however in no event can one person be elected both President and Treasurer. Each officer must be a natural person and must be a Director of the Board.

5.2 Election and Term of Office. The officers of the Corporation shall be elected by and from the Board of Directors at the first regular meeting following the Annual Meeting of the Corporation and shall serve for a term of one year or until their successors are elected and have qualified annually by the Board, and each such officer shall serve until the next annual organization meeting of the Board and until his or her successor shall have been elected and qualified, or until his or her earlier death, resignation, or removal.

5.3        Resignations. Any officer may resign at any time by giving written notice to the Board, or to the President or the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

5.5        Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board, and if the office is one for which these by-laws prescribe a term, shall be filled for the unexpired portion of the term.

5.6        General Powers. All officers of the Corporation, as between themselves and the Corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as may be determined by resolutions or orders of the Board, or, in the absence of controlling provisions in resolutions or orders of the Board, as may be provided in these bylaws.

5.7        The President. The President shall have general supervision over the activities and operations of the Corporation, subject, however, to the control of the Board. The President shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the Board except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these bylaws, to some other officer or agent of the Corporation; and, in general, shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned by the Board.

5.8        The Vice President. The Vice President shall perform the duties of the President in his or her absence and such other duties as may from time to time be assigned by the Board or the President.

5.9        The Secretary. The Secretary shall assure that minutes are prepared and maintained for all meetings of the Board; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board or the President.

5.10       The Treasurer. The Treasurer shall assure that accurate accounts of the receipts and disbursements of the Corporation are maintained; shall cause financial reports to be provided to the Board as requested, but not less than once a year; and shall perform such other duties as may be prescribed by the Board or by the President.

## ARTICLE 6 COMMITTEES

6.1 Establishment. The Board may, by resolution adopted by a majority of the Directors in office, establish an Executive Committee and one (1) or more other committees, each committee to consist of one (1) or more Directors of the Corporation. Committees other than the Executive Committee may consist of, and be chaired by a Member of the Association who is not a member of the Board. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all 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.
- d) Action on matters committed by the Bylaws or by resolution of the Board to another committee of the Board.

6.2 Appointment of Members. Unless otherwise determined by the Board, the Board shall appoint members of all committees.

6.3 Executive Committee. The Board may appoint an Executive Committee composed of the officers of the Corporation and not less than one additional Director appointed by the Board. Executive Committee meetings shall be open to all Directors. The Executive Committee shall have the power to act on behalf of the Board between Board meetings in the event that immediate corporate action is required. Action taken by the Executive Committee shall be presented to the Board at the next duly convened meeting of the Board.

The establishment of any committee of the Board and the delegation thereto of power and authority shall not alone relieve any Director of his or her fiduciary duty to the Corporation.

6.4 Meetings and Action of Committees. Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the Board of Directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors, except that the time for regular and special meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

6.5 Creation and Composition of Advisory Boards. The Corporation may, in its discretion, establish Advisory Boards which may include as members persons who are not Members of the Board. Such Advisory Boards shall have no voting powers and shall have only such other responsibilities and duties as delegated to it by the Board.

## ARTICLE 7 NOTICE; WAIVERS; MEETINGS

7.1 Notice, What Constitutes. 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, postage prepaid, or courier service, charges prepaid, or by facsimile transmission, or by electronic mail to that person's address, facsimile number, or e-mail address appearing on the books of the Corporation. If the notice is sent by mail, or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail, or deposited with a courier service for delivery to such person or, in the case of, facsimile or e-mail, 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.

7.2 Waivers of Notice. Whenever any written notice is required to be given under the provisions of the articles, these by-laws, or the Nonprofit Corporation Law of 1988, as amended, 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.

Attendance of a person at any meeting shall constitute a waiver of notice of such 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.

7.3 Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

7.4 Exception to Requirement of Notice. Wherever any notice or communication is required to be given to any person under the provisions of the articles or these bylaws, or the Nonprofit Corporation Law of 1988, as amended, or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action, and communication with such person is then unlawful, the giving of such notice or communication to such person shall not be required and there shall be no duty to apply for a license or other permission to do so.

7.5 Electronic Mail. Any written communication or signature required or permitted by these Bylaws or the Act, including a unanimous written consent, shall be valid if sent and received by electronic mail ("e-mail").

## ARTICLE 8 DISSOLUTION

8.1 In the event of dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the assets of the Corporation by distributing the remaining assets pro-rata to each Member,



provided that each Member does not receive assets in excess of the amount of the current year's Membership dues plus any membership/key deposit. Any assets remaining after such distribution shall be assigned to local charities or non-profit community projects, as selected by the Board of Directors at the time of dissolution.

ARTICLE 9  
LIMITATION OF PERSONAL LIABILITY OF DIRECTORS;  
INDEMNIFICATION OF DIRECTORS, OFFICERS AND  
OTHER AUTHORIZED REPRESENTATIVES

9.1        Limitation of Personal Liability of Directors. 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:

(a)        the Director has breached or failed to perform the duties of his or her office as defined in Section 9.2 below; and

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

The provisions of this Section 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.

9.2        Standard of Care and Justifiable Reliance.

(a)        A Director of the Corporation shall stand in a fiduciary relationship 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 or presented by any of the following:

(i)        One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(ii)        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;

(iii)        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 committee 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.

(b) In discharging the duties of their respective positions, the Board, committees of the board and individual Director may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon persons with whom the Corporation has business and other relations and upon communities in which the offices or other establishments of or related to the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a) of this Section.

(c) 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.

9.3 Indemnification in Third Party Proceedings. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the 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 representative 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 him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful of the judicial district embracing the county in which the registered office of the Corporation is located.

9.4 Indemnification in Derivative Actions. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit 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 representative of another Corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit 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 except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the Court of Common Pleas of Philadelphia County or the court in which such action or suit was brought shall determine 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 which the Court of Common Pleas or such other court shall deem proper.

9.5 Mandatory Indemnification. Notwithstanding any contrary provision of the articles of incorporation or these by-laws, to the extent that a representative of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section 9.3 or Section 9.4 above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

9.6 Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under Section 9.3 or Section 9.4 above shall be made by the Corporation only as authorized in the specific case upon 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 such paragraph. Such determination shall be made:

(a) by the Board 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, a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

9.7 Advancing Expenses. Expenses incurred 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 by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized above.

9.8 Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the Corporation and may inure to the benefit of the heirs, executors and administrators of such person.

9.9 Insurance. The Corporation shall have the 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 as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Corporation would otherwise have the power to indemnify such person against such liability.

9.10 Reliance on Provisions. Each person who shall act as an authorized representative of the Corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

## ARTICLE 10 CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

10.1 Purpose of Conflict of Interest Policy. The purpose of this conflict of interest policy is to protect this tax-exempt Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

10.2 Definitions.

- (a) Interested Person. Any Director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - 1) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
  - 2) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
  - 3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

10.3 Conflict of Interest Avoidance Procedures.

- (a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and Members of committees with governing board delegated powers considering the proposed transaction or arrangement.

- (b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee Members shall decide if a conflict of interest exists.
- (c) Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- (d) Violations of the Conflicts of Interest Policy. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

10.4 Records of Board and Board Committee Proceedings. The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

10.5 Compensation Approval Policies. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for Directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- (a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- (b) all Members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
  - 1) is not the person who is the subject of the compensation arrangement, or a family member of such person;
  - 2) is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
  - 3) does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
  - 4) has no material financial interest affected by the compensation arrangement; and
  - 5) does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- (c) the board or compensation committee shall obtain and rely upon appropriate data as to

comparability prior to approving the terms of compensation. Appropriate data may include the following:

- 1) compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
- 2) the availability of similar services in the geographic area of this organization;
- 3) current compensation surveys compiled by independent firms;
- 4) actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

- 1) the terms of the compensation arrangement and the date it was approved;
- 2) the Members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
- (3) the comparability data obtained and relied upon and how the data was obtained;
- (4) If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
- (5) If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
- (6) any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
- (7) The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and

committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

10.6 Annual Statements. Each Director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

10.7 Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

10.8 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 9.07, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## ARTICLE 11 MISCELLANEOUS

11.1 Headings. In interpreting these Bylaws, the headings of articles shall not be controlling.

11.2 Corporate Seal. The Corporation shall have a corporate seal in the form of a circle containing the name of the Corporation, the year of incorporation and such other details as may be approved by the Board.

11.3 Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the Board may from time to time designate.



11.4 Contracts. Except as otherwise provided in these by-laws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

11.5 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the Board shall from time to time determine.

11.6 Annual Report of the Board. The Board shall direct the President and Treasurer to present at the annual meeting of the board a report showing in appropriate detail the following:

(1) The assets and liabilities of the Corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities during the year immediately preceding the date of the report.

(3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report.

(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report.

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

11.7 Directors' Inspection Rights. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Corporation, and shall have such other rights to inspect the books, records, and properties of this Corporation as may be required under the certificate of incorporation, other provisions of these bylaws, and provisions of law.

11.8 Public's Inspection Rights. Members of the general public shall have the right to inspect the Corporation's certificate of incorporation, IRS Form 1024 filing, or annual Form 990 reports at any reasonable time by contacting the corporate secretary, as listed on the Corporation's website.

11.9 Right to Copy and Make Extracts. Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

11.10 Prohibition Against Private Inurement. No part of the net earnings of this Corporation shall inure to the benefit of, or be distributable to, its Members, Directors or trustees, officers, or other private persons, except that the Corporation shall be authorized and

empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this Corporation.

11.11 Amendment of Articles of Incorporation. The Articles of Incorporation of the Corporation may be amended by a vote of two-thirds of the active Members present at an Annual Meeting or at any other meeting of the membership at which a quorum is present, provided that the proposed amendment or amendments shall have been previously approved by the Board of Directors, or by ten (10) active Members in writing, and that notice of the proposed amendment, with a copy of the amendment, shall have been sent to each active member at least five (5) days before any such meeting.

11.12 Amendment of Bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted, by vote of two-thirds of the active Members present at an Annual Meeting or at any other meeting of the membership at which a quorum is present, provided that the proposed amendment or amendments shall have been previously approved by the Board of Directors, or by ten (10) active Members in writing, and that notice of the proposed amendment, with a copy of the amendment, shall have been sent to each active member at least five (5) days before any such meeting.

11.13 Construction and Terms. If there is any conflict between the provisions of these bylaws and the Articles of Incorporation of this Corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the Articles of Incorporation shall be to the Articles of Incorporation filed with the Commonwealth of Pennsylvania on September 29, 2012 and used to establish the legal existence of this Corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

#### ADOPTION OF BYLAWS

The foregoing bylaws were adopted by resolution at a duly called meeting of the Members this day, November 12, 2012.

Acting  
Secretary 