

BYLAWS

of

FRIENDS OF EASTERN STATE PENITENTIARY PARK

(A Pennsylvania Nonprofit Corporation)

Article I. NAME AND MISSION

Section 1.01 Name. The name of the corporation is “Friends of Eastern State Penitentiary Park” (“FESPP”).

Section 1.02 Mission. “FESPP” is a volunteer organization whose mission is to: (a) establish and maintain a community park located in the Fairmount section of Philadelphia, Pennsylvania (“OurPark”), adjacent to the historic Eastern State Penitentiary across from the Bache-Martin Elementary School, and (b) promote the academic and social achievement of Bache-Martin students.

Article II. OBJECTIVES

Section 2.01 Goals. The goal of FESPP is to establish and maintain OurPark in a manner that will:

(a) Benefit all the residents of the communities surrounding Eastern State Penitentiary (commonly known as Fairmount, Francisville, and Spring Garden) in general, and the students of Bache-Martin Elementary School in particular, by establishing a green and open space oasis in the heart of the city and directly across from Bache-Martin Elementary School;

(b) Serve the specific needs of the Bache-Martin Elementary School students by: maintaining an identity of interests with, and promoting the interests of, Bache-Martin; working closely with, and responding to the needs of, Bache-Martin, as expressed through Bache-Martin students, parents, and faculty; and providing a playground, an outdoor classroom, and an unofficial, unobstructed, open, grass field of a size and configuration suitable for outdoor sports, such as football and soccer, all to promote the physical, social, and environmental education of Bache-Martin students; and

(c) Promote a sense of community and interaction among neighbors by creating an inviting public space, organizing FESPP-sponsored events, and encouraging informal group and individual activities at OurPark.

Section 2.02 Cooperation. It is an additional goal of FESPP to solicit the support of, work closely with, and forge a partnership with, several other area organizations (“Sister Organizations”) including, but not limited to, Bache-Martin Elementary School, Eastern State Penitentiary Historic Site, Inc., the Fairmount Civic Association, the Francisville Neighborhood Development Corporation, the Spring Garden Community Development Corporation, and the Fairmount Community Development Corporation, and to foster and promote the cooperative combined efforts of the Sister Organizations, FESSP, and their respective directors, officers, and members towards the accomplishment of FESPP’s goals and the furtherance of FESPP’s Mission.

Article III. MEMBERSHIP

Section 3.01 Members. Any natural person, at least 21 years old, shall be eligible for FESPP membership during any FESPP fiscal year, if such person (a) supports FESPP and the accomplishment of FESPP’s goals and the furtherance of FESPP’s Mission, and (b) resides in the Fairmount, Francisville, or Spring Garden section of Philadelphia, Pennsylvania during the fiscal year. Any eligible person may become an FESPP Member after completing and submitting on his or her own behalf a membership application, subject to approval by the Board of Directors of FESPP.

Section 3.02 Membership Dues. The Board may, by resolution, determine (a) the amounts of any initiation fees, dues or assessments payable by the Members, and (b) the time and method of their payment. The Board may impose such fees, dues, or assessments upon all Members of the same class either alike or in different amounts or proportions. The Board may terminate membership for nonpayment of dues after 30 days’ notice has been given.

Section 3.03 Annual Meeting. Unless the Board provides by resolution for a different time, the annual meeting of the Members, for the election of Directors and the transaction of any other business which may be brought before the meeting, shall be held on the third Sunday in October at a time and place to be determined by the Board of Directors. Each Member shall receive at least thirty (30) days’ written notice of the time and place of the meeting.

Section 3.04 Special Meeting. Special meetings of the Members may be called by the Board of Directors, the President, or by ten percent (10%) or more of the Members. Upon written request of any person entitled to call a special meeting, the Secretary shall (a) fix the date and time of the meeting, which shall be held not more than sixty days after receipt of the request, and (b) give 14 days’ prior notice to the Members. If the Secretary neglects or refuses to fix the meeting date or

give notice within thirty (30) days after receipt of the written request for the special meeting, the person or persons calling the meeting may do so. Written notice of the special meeting shall state the date, time, place, and general nature of the business to be transacted.

Section 3.05 Organization. The President, or in his or her absence, the Vice President, or in the absence of the President and the Vice President, a chair chosen by the Members, shall act as chair of any meeting of the Members, and the Secretary, or in his or her absence, a Member appointed by the chair, shall act as secretary of any such meeting.

Section 3.06 Voting and Quorum. Each Member shall have one vote in person. Proxy voting is not authorized. The presence, in person, of twenty percent (20%) of the Members shall constitute a quorum unless a greater number or proportion is required by applicable law, the Articles of Incorporation, or these Bylaws. The acts of a majority of the Members present and voting at a meeting at which a quorum is present shall be the acts of the Members. The 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. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in the Act, adjourn the meeting to such time and place as they may determine. In the case of any meeting called for the election of Directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing Directors.

Section 3.07 Membership Not Transferable; Property Rights of Members. Membership in the corporation is not transferable or assignable. No Member shall possess any property right in or to the property of the corporation. If the corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for the debts and obligations of the corporation, the Board of Directors shall dispose of the remaining property in accordance with the Articles of Incorporation. In no event shall any earnings or other property of the corporation be distributed to or inure to the benefit of any Member, former Member, director, or officer of the corporation, or other private individual, either directly or indirectly.

Section 3.08 Resignation. Any Member may resign at any time by giving written notice to the corporation. The resignation shall be effective upon receipt by the corporation or at such subsequent time as may be specified in the notice of resignation. Resignation shall not relieve the Member of any outstanding obligation to the corporation.

Section 3.09 Termination. Except for termination authorized by Section 3.02 (relating to nonpayment of dues), a Member shall be terminated only by the affirmative vote of at least two-thirds of the Directors present and voting on the matter based upon charges made in writing and proved to the satisfaction of the Board. The Member so charged shall have the right to be heard by the Board or a committee thereof and may be represented by counsel. Notice of such charges and date of hearing shall be given to the Member at least 20 days in advance of the hearing. The

right of a Member to vote, and the right, title and interest, if any, of a Member in or to the corporation or its property, shall cease on the termination of its membership.

Section 3.10 Place of Meetings. Meetings of the Members shall be held at such place as may be fixed by the Board of Directors. If no place is fixed by the Board of Directors, meetings of the Members shall be held at the registered office of the corporation.

Section 3.11 Determination of Members of Record. The Board of Directors may fix a time, not more than seventy (70) and not less than thirty (30) days prior to the date of any meeting of the Members or any adjournment thereof, as a record date for the determination of the Members entitled to notice of, or to vote at, such meeting. The Board of Directors may similarly fix a record date for the determination of the Members of record for any other purpose. When a determination of the Members of record has been made for purposes of a meeting, the determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting. If no record date is fixed, the record date shall be determined in accordance with applicable law.

Article IV. BOARD OF DIRECTORS

Section 4.01 General Powers. The business and affairs of the corporation shall be managed under the direction of its Board of Directors.

Section 4.02 Number. The Board of Directors shall be comprised of a minimum of one (1) and a maximum of seven (7) persons (“Directors”).

Section 4.03 Qualifications.

(a) Two (2) Directors (the “700 Corinthian Representatives”) shall be Members who reside on the 700 Block of Corinthian Avenue, Philadelphia, PA.

(b) Two (2) Directors (the “Brown Street Corridor Representatives”) shall be Members who reside on the 800 Block (between Brown Street and Parrish) of any of N. Beechwood Street, N. 21st Street, or N. Woodstock Street, Philadelphia, PA (the “Brown Street Corridor”);

(c) Two (2) Directors (the “At-Large Representatives”) shall be Members who reside in any of the Francisville, Fairmount, or Spring Garden sections of Philadelphia, PA; and

(d) One (1) Director (the “Bache-Martin Representative”) shall be a Member who is a member of the Bache-Martin Home and School Association.

Section 4.04 Election and Term. The Board of Directors shall be elected at each annual meeting of Members pursuant to Section 4.21. Each Director shall hold office as a Director until the next annual meeting of Members following his or her election and, unless he or she is re-elected, until his or her successor shall have been duly elected and qualified, or until he or she shall have resigned, or until he or she shall have been removed from office.

Section 4.05 Annual Meeting. An annual meeting of the Board of Directors for the purpose of electing officers shall be held each year as soon as practicable immediately following the annual meeting of the Members at a date, time, and place to be designated by a resolution of the Board of Directors.

Section 4.06 Regular Meetings. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board.

Section 4.07 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or one quarter of the Directors then in office.

Section 4.08 Place of Meetings. Meetings of the Board of Directors shall be held at such place as may be fixed by the Board within the Fairmount, Francisville, or Spring Garden section of Philadelphia, Pennsylvania. If no place is fixed by the Board of Directors, meetings of the Board of Directors shall be held at the registered office of the corporation.

Section 4.09 Notice Generally. Whenever written notice is required to be given to any person, it may be given to the person, either personally or by sending a copy by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answer back received) or courier service, charges prepaid, or by facsimile or electronic mail, to his or her address (or to his or her telex, TWX or facsimile number or electronic mail address) appearing on the books of the corporation or, in the case of Directors, supplied by him or her to the corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched or, in the case of facsimile or electronic mail, when receipt has been confirmed. A notice of meeting shall specify the place, day, and hour of the meeting and any other information required by applicable law or these Bylaws. Except as otherwise provided by the Act or these Bylaws, 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.

Section 4.10 Notice of Directors' Meetings. The corporation shall give at least seven (7) days' written notice of any meeting of the Board of Directors.

Section 4.11 Waivers of Notice. Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 4.12 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if fewer than a majority of the Directors are present at said meeting, a majority of Directors present may adjourn the meeting from time to time without further notice.

Section 4.13 Manner of Acting. The acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. Any written communication or signature required or permitted by these Bylaws or applicable law, including a unanimous written consent, shall be valid if sent and received by facsimile or electronic mail transmission.

Section 4.14 Telephone Conference. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at the meeting.

Section 4.15 Organization. At every meeting of the Board of Directors, the President, or in his or her absence the Vice President, or in the absence of the President and the Vice President, a chair chosen by a majority of the Directors present, shall act as chair; and the Secretary, or in his or her absence, a person appointed by the chair, shall act as secretary. All meetings of the Board of Directors or the Members shall be held in accordance with, and subject to, Robert's Rules of Order.

Section 4.16 Attendance of Meetings by Members. Any Member may petition the Board of Directors for permission to attend any meeting of the Board. Members may attend a meeting of the Board to the extent authorized by the Board in its sole discretion but shall not be entitled to vote at the meeting.

Section 4.17 Vacancies. Any vacancy on the Board of Directors occurring for any cause may be filled by a majority vote of the remaining Directors. Any Director so chosen to fill a vacancy must meet the applicable qualifications for the vacancy provided in Section 4.03 and shall hold office until the next annual meeting of Members and, unless he or she is re-elected, until his or her successor shall have been duly elected and qualified, or until he or she shall have resigned, or until he or she shall have been removed from office.

Section 4.18 Resignations. Any Director may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Any such resignation shall take effect at the time such notice is received 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. The unexcused absence of any Director from three or more meetings of the Board in any fiscal year shall constitute the resignation by such Director from office as a Director and from all offices of the corporation. Any unexcused absence is an absence without an excuse acceptable to a majority of the remaining Directors.

Section 4.19 Compensation. Directors shall not receive any compensation for their services as Directors or as committee members. However, the corporation may compensate a Director for providing services to the corporation in any other capacity, including that of paid officer, employee, or agent of the corporation. Directors who serve as paid officers, employees, or agents of the corporation shall not participate in any vote of the Board of Directors with respect to their compensation. Subject to any policy adopted by the Board of Directors, Directors may be reimbursed for reasonable expenses paid or incurred on behalf of the corporation.

Section 4.20 No Interest in Assets. No director shall possess any property right in or to the property of the corporation. In the event the corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the directors shall dispose of the remaining property in accordance with the provisions of the Articles of Incorporation of the corporation.

Section 4.21 Election Process and Qualifications of Directors.

(a) Nomination -

(i) The Members resident on the 700 Block of Corinthian shall, in a manner and via a process of their choice, nominate as many Members resident on the 700 Block of

Corinthian as they choose as candidates to fill the two (2) Board seats reserved for 700 Corinthian Representatives.

- (ii) The Members resident on the Brown Street Corridor shall, in a manner and via a process of their choice, nominate as many Members resident on the Brown Street Corridor as they choose as candidates to fill the two (2) Board seats reserved for Brown Street Corridor Representatives.
- (iii) The Members who are members of the Bache-Martin Home and School Association shall, in a manner and via a process of their choice, nominate as many Members who are members of the Bache-Martin Home and School Association as they choose as candidates to fill the one (1) Board seat reserved for a Bache-Martin Representative.
- (iv) Any Member or group of Members shall, in a manner and via a process of their choice, nominate as many Members resident in any of the Francisville, Fairmount, or Spring Garden sections of Philadelphia as they choose as candidates to fill the two (2) Board seats reserved for At-Large Representatives.

(b) Nominations Committee. The Board of Directors shall appoint a Nominations Committee. In order to qualify as a candidate, each nominee described in Section 4.21(a) shall, no later than eighteen (18) days prior to the related election, submit his or her name, a certification that he or she is a Member and a statement (a "Position Paper") setting forth his or her qualifications for the particular Board seat sought, including his or her goals for the area of representation in particular and OurPark as a whole. The Nominations Committee shall review the Position Paper of each nominee who qualifies as a candidate and submit the slate of candidates to the Members no later than ten (10) days prior to the related election. In such slate of candidates, the Nominations Committee may also indicate their recommended candidates.

Article V. COMMITTEES

Section 5.01 Standing Committees. There shall be five standing committees of the corporation ("Standing Committees"). The Standing Committees shall include, if necessary or desirable in the Board's sole discretion, (a) a Fundraising, Publicity, and Membership Committee, (b) a Maintenance and Design Committee (including a Gardening Subcommittee), (c) a Playground Committee, (d) a Bache-Martin Promotion Committee, and (e) a Dog Pen Committee. Each Standing Committee shall serve at the discretion of the Board of Directors and shall promote and foster the maintenance, development, and upkeep of OurPark in a manner consistent with direction from the Board of Directors. A chair of each Standing Committee shall be appointed for a term of one year by the Board of Directors at each annual meeting of the Board of Directors or as soon thereafter as conveniently possible and shall periodically, as necessary or desirable, deliver a report to the Board of Directors.

Section 5.02 Other Committees. The Board may, by resolution adopted by a majority of the Directors, establish one or more committees in addition to the Standing Committees (a "Non-Standing Committee). Each such Non-Standing Committee shall also serve at the discretion of

the Board of Directors and shall promote and foster the maintenance, development, and upkeep of OurPark in a manner consistent with direction from the Board of Directors. A chair of each such Non-Standing Committee shall be appointed by the Board of Directors upon the establishment of such Non-Standing Committee, or as soon thereafter as conveniently possible, and shall periodically, as necessary or desirable, deliver a report to the Board of Directors. Any 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 a committee, including the Standing Committees, shall not have any power or authority as to the following:

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

Section 5.03 Term. The Board of Directors shall appoint the chairs and approve the members of all committees of the Board of Directors including Standing Committees. Standing Committees shall be appointed at the annual meeting of the Board and shall serve for a term of one year. The Board may, by resolution, determine not to constitute a Standing Committee for any year. Other committees of the Board shall serve at the pleasure of the Board.

Section 5.04 Rules. Except as otherwise provided by the Board of Directors, each committee shall be chaired by a Director and shall establish its own operating procedures. All meetings of all committees of the Board of Directors shall be held in accordance with, and subject to, Robert's Rules of Order. Each committee shall keep regular minutes of its proceedings and report the same to the Board at each regular meeting. Each committee shall determine its times and places of meetings. Sections 4.12 and 4.13 (relating to quorum, action, and written consent) and Section 4.14 (relating to participation by teleconference) shall apply to committees of the Board.

Article VI. OFFICERS

Section 6.01 Officers. The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer and such other officers as the Board of Directors shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board of Directors and these Bylaws. At the discretion of the Board of Directors, any one person may hold more than one office and more than one person may hold any one office jointly.

Section 6.02 Appointment and Term of Office. The officers of the corporation shall generally be appointed annually by the Board of Directors at the annual meeting of the Board of Directors.

If the appointment of officers shall not be held at such meeting, such appointment shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and qualified or until his earlier death, resignation, or removal.

Section 6.03 Removal. Any officer appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of any person so removed. Unless the Board provides otherwise, termination of an officer's or agent's employment with the corporation shall terminate the officer's term in office.

Section 6.04 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors at any meeting.

Section 6.05 President. The President shall be the chief executive officer of the corporation and shall have general supervision over the business and affairs of the corporation, subject, however, to the control of the Board of Directors. The President shall preside at meetings of Members and of the Board of Directors. He or she may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

Section 6.06 Vice President. In the absence or disability or refusal to act of the President, the Vice President shall perform all of the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as may be prescribed by the President, the Board of Directors, or these Bylaws.

Section 6.07 Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 8.03 of these Bylaws and in general perform all the duties incident to the office of Treasurer and such other duties as may be assigned to him or her by the President or by the Board of Directors.

Section 6.08 Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be

custodian of corporate records; keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member and in general perform all duties incident to the office of Secretary and such other duties as may be assigned to him or her by the President or by the Board of Directors.

Section 6.09 Compensation of Officers. The compensation of all officers shall be fixed by the Board of Directors or any committee or officer authorized by the Board. No officer shall be precluded from receiving such compensation by reason of the fact that he or she is also a Director of the corporation. However, Directors who are compensated to serve as officers shall not participate in any vote of the Board with respect to their compensation. Subject to any policy adopted by the Board, officers may be reimbursed for reasonable expenses paid or incurred on behalf of the corporation.

Article VII. BOOKS AND RECORDS

The Corporation shall keep (a) minutes of the proceedings of the Members and the Board of Directors, (b) a membership register showing the names and addresses of the Members and the other details of membership, and (c) appropriate, complete, and accurate books or records of account, at its registered office or the principal place of business or any actual business office of the Corporation.

Article VIII. CONTRACTS, CHECKS, DEPOSITS, GIFTS AND BORROWING

Section 8.01 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, singly or jointly or in any other manner, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 8.02 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by the President and Treasurer of the corporation or by any other proper officers of the corporation authorized by the Board of Directors.

Section 8.03 Deposits. All funds of the corporation shall be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 8.04 Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

Section 8.05 Borrowing, etc. No officer, agent, or employee of the corporation shall have any power or authority to borrow money on its behalf, to pledge its credit, or to mortgage or pledge its real or personal property, except within the scope and to the extent of the authority delegated by resolution of the Board of Directors. Authority may be given by the Board for any of the above purposes and may be general or limited to specific instances. The corporation shall not lend money to or guarantee the obligation of a Director or officer of the corporation.

Section 8.06 Real Property. The corporation shall make no purchase of real property nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by the vote of two-thirds (2/3) of the Board of Directors, except that if there are twenty-one (21) or more Directors, the vote of a majority of the Board shall be sufficient. If the real property is subject to a trust, the conveyance away shall be free of trust and the trust shall be impinged upon the proceeds of such conveyance.

Section 8.07 Bond. The corporation may secure the fidelity of any officer or agent of the corporation by bond or otherwise.

Section 8.08 Subventions. The corporation shall be authorized by resolution of the Board of Directors to accept subventions from Members or nonmembers on terms and conditions not inconsistent with applicable law and to issue certificates therefor.

Article IX. LIMITATION OF LIABILITY; INSURANCE

Section 9.01 Personal Liability of Directors. A Director shall not be personally liable, as such, for monetary damages for any action taken or any failure to take any action as a Director unless:

(a) The Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of the Pennsylvania Nonprofit Corporation Law of 1988 as amended; and

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

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

Section 9.02 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation or is or was serving at the request

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

Article X. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 10.01 Indemnification. 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, including actions by or in the right of the corporation, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving while a director or officer of the corporation at the request of the corporation as a director, officer, employee, agent, fiduciary, or other representative of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against expenses (including attorneys' fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such person 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.

Section 10.02 Advancement of Expenses. Expenses incurred by an officer or director of the corporation in defending a civil or criminal action, suit, or proceeding described in Section 10.01 above shall be paid by the corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the corporation.

Section 10.03 Other Rights. The indemnification and advancement of expenses provided by or pursuant to this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the corporation's Articles of Incorporation, any insurance or other agreement, vote of Members or disinterested Directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person. Article 11 (relating to conflicts of interest) shall be applicable to any bylaw, contract, or transaction authorized by the Directors under this Section.

Section 10.04

Section 10.05 Security Fund; Indemnity Agreements. By action of the Board of Directors (notwithstanding their interest in the transaction), the corporation may create and fund a trust fund or fund of any nature, and may enter into agreements with its Directors, officers, employees, and agents for the purpose of securing or insuring in any manner its obligation to indemnify or advance expenses provided for in this Article.

Section 10.06 Modification. The duties of the corporation to indemnify and to advance expenses to a Director or officer provided in this Article shall be in the nature of a contract between the corporation and each such Director or officer, and no amendment or repeal of any provision of this Article, and no amendment or termination of any trust or other fund created pursuant to Section 10.05, shall alter, to the detriment of such Director or officer, the right of such person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal, or termination.

Article XI. CONFLICTS OF INTEREST

Section 11.01 Conflicts of Interest Policy. The corporation's conflicts of interest policy is set forth in this Article. The purpose of the conflicts of interest policy is to protect the corporation's interest when it is contemplating entering into a contract or transaction that might benefit the private interest of an officer or Director of the corporation. This policy is intended to supplement the requirements of applicable law. The conflicts of interest policy shall apply to all contracts or transactions between the corporation and Directors, officers, and members of committees with Board-delegated powers.

Section 11.02 Definitions. For purposes of this Article, the following terms shall have the meanings set forth below.

- (a) "Compensation" means direct and indirect remuneration and gifts or favors which are substantial in nature.
- (b) "Financial Interest" means, directly or indirectly, through business, investment, or family:
 - (1) An ownership or investment interest in any entity with which the corporation has a contract or transaction;
 - (2) A Compensation arrangement with the corporation or with any entity or individual with which the corporation has a contract or transaction; or

- (3) A potential ownership or investment interest, in, or Compensation arrangement with, any entity or individual with which the corporation is negotiating a contract or transaction.

A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest has a conflict of interest only if the Board of Directors or committee decides that a conflict of interest exists.

- (c) “Interested Person” means a Director, officer, or member of a committee with Board-delegated powers who has a direct or indirect Financial Interest.

Section 11.03 Annual Disclosure Statements. Each Director, officer, and member of a committee with Board-delegated powers shall execute and deliver to the President an annual statement disclosing the facts relating to any actual or potential Financial Interest or stating that he or she has no reportable Financial Interest. The President shall report the results of the annual disclosure statements to the Board at its annual meeting.

Section 11.04 Ongoing Disclosures. If any Director or officer of the corporation has a Financial Interest in any proposed contract or other transaction involving the corporation, the Director or officer must disclose the Financial Interest to the Board of Directors or committee authorizing the contract or transaction. The Board or committee shall determine whether the Financial Interest constitutes a conflict of interest.

Section 11.05 Participation and Voting. A Director or officer who has a conflict of interest may answer questions of the Board of Directors or committee considering the contract or transaction that involves the conflict. However, after answering questions, the Director or officer shall leave the meeting during the discussion of the merits of the contract or transaction and shall not vote on the contract or other transaction. The interested Director or officer shall be counted in determining the presence of a quorum.

Section 11.06 Recordkeeping Procedures. The minutes of meetings of the Board of Directors and committees with Board-delegated powers shall include:

- (a) The names of all persons who disclosed or were found to have a Financial Interest in connection with an actual or potential conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest existed, and whether the Board or committee determined there was a conflict of interest;
- (b) The names of the persons who absented themselves from the meeting during discussions and votes relating to the contract or transaction;

- (c) The content of any discussion relating to the contract or transaction, including any alternatives to the proposed contract or transaction; and
- (d) A record of the vote on the proposed contract or transaction.

Copies of any reports, appraisals, or other written data presented at the meeting to analyze the conflict of interest or to vote on the proposed contract or transaction shall be filed with the minutes. The minutes shall be prepared before the later of the next meeting of the Board or applicable committee or 60 days after the final action is taken by the Board or committee. The Board or applicable committee shall review the minutes within a reasonable period of time after their preparation.

Article XII. STANDARD OF CARE

Section 12.01 Standard of Care; Justifiable Reliance. A Director shall stand in a fiduciary relation to the corporation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including, without limitation, financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person; or
- (c) A committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

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

Section 12.02 Presumption. Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by the Board of Directors, committees of the Board, or by individual Directors, or any failure to take any action, shall be presumed to be in the best interests of the corporation.

Section 12.03 Notation of Dissent. A Director who is present at a meeting of the Board of Directors, or of a committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the

minutes of the meeting or unless the Director files a written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this Section shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of the minutes, the Director notifies the Secretary, in writing, of the asserted omission or inaccuracy.

Article XIII. AMENDMENTS TO BYLAWS

To the extent permitted by law, new Bylaws may be adopted, or these Bylaws may be amended or repealed, as follows:

Any Member may in writing propose to the Board of Directors at any time any amendment to these Bylaws (an "Amendment"). If at least two (2) Directors support the proposed Amendment, the Board will appoint an ad hoc Bylaws Committee. Each Director will appoint one (1) member of the Bylaws Committee from among the Members. The Bylaws Committee shall consider the proposed Amendment and by majority vote shall either deny the proposed Amendment or approve it for submission to the Board. If the Bylaws Committee submits the proposed Amendment to the Board, the Board shall by supermajority vote (*e.g.*, 5 of 7) either deny the proposed Amendment or approve it for submission to the Members. After submission of the Amendment to the Members, the Bylaws of the corporation may be amended by a majority vote of the Members at any meeting after notice of such purpose has been given.