

BY-LAWS

OF

THE PAN AMERICAN ASSOCIATION OF PHILADELPHIA

as adopted in 1981 and as amended
on September 13, 1982, August 25, 2004, and
March 14, 2005

TABLE OF CONTENTS

ARTICLE I - NAME3

ARTICLE II - PURPOSE AND OBJECTIVES3

ARTICLE III - MEMBERS3

ARTICLE IV – FISCAL AND MEMBERSHIP YEARS.....6

ARTICLE V - MEETINGS6

ARTICLE VI - ELECTIONS AND NOMINATIONS7

ARTICLE VII - OFFICERS8

ARTICLE VIII - BOARD OF DIRECTORS 13

ARTICLE IX - DUTIES OF COMMITTEES.....14

ARTICLE X – EMERITUS BOARD MEMBERS 14

ARTICLE XI – BOOKS AND RECORDS 14

ARTICLE XII – TRANSACTION OF BUSINESS..... 15

ARTICLE XIII ANNUAL REPORT 15

ARTICLE XIV NOTICES..... 16

ARTICLE XV- MISCELLANEOUS PROVISIONS 16

**ARTICLE XVI- INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER
AUTHORIZED REPRESENTATIVES; RIGHT TO INDEMNIFICATION. 17**

ARTICLE XVII AMENDMENTS 19

ARTICLE XVIII DISSOLUTION.....20

BYLAWS
OF
THE PAN AMERICAN ASSOCIATION OF PHILADELPHIA

as adopted in 1981 and as amended
on September 13, 1982, August 25, 2004 and
February 28, 2005

ARTICLE I - NAME

The name of this organization is The Pan American Association of Philadelphia (“Association”).

ARTICLE II - PURPOSE AND OBJECTIVES

The purpose and objectives of the Association shall be the promotion of cultural and educational activities designed to encourage cooperation and understanding among the peoples of the Western Hemisphere. Without limiting the foregoing, the Association shall:

- (a) Engage in, and support cultural, educational, and social activities that will heighten awareness of the need for collaboration and cooperation among the nations of the Western Hemisphere;
- (b) Plan and execute an annual program of activities in furtherance of the Association’s objectives;
- (c) Solicit memberships in the Association from among the residents of the Philadelphia area and beyond, to increase the scope of the Association’s activities and programs;
- (d) Solicit contributions from members and the general public in such amounts as will support an aggressive and robust program of scholarships and grants to worthy individuals and organizations espousing the ideals of the Association.

ARTICLE III - MEMBERS

Section 1. Classes of Membership

There shall be five classes of membership as follows:

- (a) Life Members
- (b) Corporate Members
- (c) Sustaining Members
- (d) Regular Members
- (e) Honorary Members

Section 2. Age Limit

No person under the age of eighteen years shall be eligible for membership in the Association.

Section 3. Life Members

Life Members shall consist of those persons who are duly elected to membership and who have contributed in one sum an amount equal to twenty (20) times the annual dues of a regular member to the Association in lieu of annual dues. Life Members shall have all the rights of Regular Members, but shall not be obligated to pay any further dues.

Section 4. Corporate Members

Corporate Members shall consist of those Corporations, Unincorporated Associations, or similar entities that contribute annually an amount equal to at least ten (10) times the annual dues of a Regular Member. Each Corporate Member shall have the right to select five (5) Corporate Representative Members, who each shall have the rights of Regular Members.

Section 5. Sustaining Members

Sustaining Members shall consist of those persons duly elected to membership who pay annual dues in the amount equal to four (4) times the annual dues of a Regular Member. They shall have all the rights of Regular Members.

Section 6. Regular Members

Regular Members shall consist of those persons duly elected to membership who pay annual dues of \$25 for a single person, or \$40 for a household. Regular Members shall have the right to vote and to hold office and shall have the legal rights of full membership in the Association. Annual dues for Regular Membership may be increased from time-to-time by vote of the Board of Directors.

Section 7. Honorary Members

Honorary Members shall consist of those persons duly elected as such by the Association, and shall be confined to persons connected with the Diplomatic and Consular Offices of any country of the Western Hemisphere and any distinguished personages who are citizens of any country in North America, the Caribbean, Central America, or South America. The number of Honorary Members shall not exceed five (5).

To be elected to Honorary Membership a candidate must receive the majority vote of the directors present at any regular or special meeting of the Board. Provided that the name of any candidate for Honorary membership must have been proposed at a previous meeting of the Board. Honorary members shall be exempt from payment of any dues or fees and they shall enjoy all the rights of Regular Members, except that they shall not vote or hold office. Any Honorary Member may elect to voluntarily pay the annual dues of any class of member, in which case he or she shall have the rights of such class of Membership.

Section 8. Procedure For Obtaining Membership

Each candidate for any class of membership in the Association shall be approved by a representative of the Board of Directors of the Association, and in such case, the candidate's full name, occupation, residence and place of business shall be entered in the records of the Association. Candidates shall become members of the Association upon payment of the appropriate amount of dues for the class of membership sought and favorable action on their proposal by the Membership Committee followed by final approval by majority vote of the Board of Directors.

Section 9. Annual Dues

Annual dues for all classes of members paying annual dues shall be payable in advance on the first day of September of each year.

Section 10. Payment of Dues

Dues for one year must be tendered at the time request for membership is made and on the first day of each September of each year thereafter. Under exceptional circumstances based on the calendar, the Treasurer may at his or her sole discretion, accept a partial membership payment for the initial year of dues. The President may, in his or her discretion, waive a dues requirement for a member in any class of membership.

Section 11. Right to Vote and to Hold Office

Life Members, Corporate Members, Sustaining Members, and Regular Members, whose dues are current, and who are otherwise in good standing in the Association shall be entitled to hold office and to vote in all elections and at all meetings of the Association.

Section 12. Suspension of Membership

The Board shall have the final authority to determine the good standing of any member and to decide the continuation or suspension of the membership of any Member. No Membership shall be suspended without due process.

Section 13. Arrearages

Any member of any class of membership who shall fail to pay any monies owing by him or her to the Association within sixty (60) days after notice thereof shall have been deposited in the mail, duly addressed to the member's address as noted in the records of the Association, may, at the discretion of the Board, thereafter have his or her membership declared terminated without further notice to such member.

ARTICLE IV – FISCAL AND MEMBERSHIP YEARS

Section 1. Association's Fiscal and Membership Years

The fiscal year of the Association shall begin in each calendar year on the first day of July, and end on the thirtieth day of June. All membership dues payable annually shall be payable in advance for one (1) year no later than the first day of September in each year.

ARTICLE V - MEETINGS

Section 1. Annual Meeting

- (a) The Annual Meeting shall be held during October in each year on a day to be designated by the Board of Directors.
- (b) A quorum of members at the Annual Meeting shall consist of a minimum of twenty (20) paid-up members. If no quorum be present at the Annual Meeting, the members present may by vote adjourn such meeting until such time as they may deem advisable, and the Secretary shall send notice of such adjourned meeting to every member entitled to vote thereat.

Section 2. Regular Meetings of the Association

Regular meetings of the Association shall be held at such times and places as may be determined from time to time by the Board.

Section 3. Special Meetings of the Association

A Special Meeting of the Association may be called by the President at any time, and shall be called at the direction of the Board or upon the written request of twenty (20) members of the Association in good standing, specifying the objective or objectives of the meeting. No other business shall be transacted at such meeting except for that specified in the notice thereof.

Section 4. Association's Meeting Place

All meetings of the Association shall be held at such places as shall be determined from time to time by the Board.

Section 5. Procedure for Notification of Meetings

Notice of the Annual Meeting shall be mailed by the Secretary to every member entitled to vote at least fifteen (15) days prior to the date of such meeting. Notice of an adjourned or Special Meeting shall be mailed at least ten (10) days before the date of said Special Meeting.

ARTICLE VI - ELECTIONS AND NOMINATIONS

Section 1. Elections

The Election of officers and members of the Board of Directors shall take place at the Annual Meeting of the Association.

Section 2. Nominations

- (a) At least sixty (60) days in advance of the Annual Meeting, the President, with the approval of the Board, shall appoint a Nominating Committee, consisting of members of the Association in good standing. The Nominating Committee shall nominate a slate consisting of the names of paid-up members in good standing to serve as officers to fill vacancies among the officers and the Board of Directors for the coming year. The Chairman of the Nominating Committee shall, not later than one (1) month before the Annual Meeting, present a slate of nominees to the Board.

- (b) In addition to the names proposed by the Nominating Committee, nominations of paid-up members in good standing may also be made by written petition signed by at least five (5) paid-up members of the Association in good standing. Said petition must specify the office or offices for which the nominee or nominees is a candidate and must be delivered to the Secretary of the Association not less than seven (7) days prior to the date of the Annual Meeting.

Section 3. Secretary's Duties Regarding Elections

The Secretary shall cause a list of the names of all candidates duly nominated by the Nominating Committee to be assembled under the headings of the offices for which they shall have been nominated, and to be mailed at least thirty (30) days prior to the Annual Meeting. The names of candidates for each office shall be listed in alphabetical order.

Section 4. Appointment and Duties of Judge and Tellers

In the event of a contest for any office, the President with the approval of the Board shall appoint one (1) member of the Association to act as Judge of Election and two (2) members to act as Tellers of Election. They shall see to it that only those members vote who have been certified by the Treasurer as being eligible to vote. They shall likewise determine the sufficiency or insufficiency of ballots cast and shall be final judges in all matters that may arise in connection with the election, including the proper canvass of votes cast, and shall make a full report of the total number of votes cast for each candidate to the Secretary of the Association in time for announcement at the Annual Meeting.

Section 5. Plurality Wins, Procedure When Vote is Tie

When there are two or more candidates for office to be filled, the candidate receiving a plurality of votes shall be elected. In case of a tie between two (2) or more candidates, the title shall be determined by lot. Absentee voting by proxy is permitted.

ARTICLE VII - OFFICERS

Section 1.

The Officers of the Association shall consist of a Chairman, a President, Four Vice Presidents, a Secretary, and a Treasurer. The Chairman and President shall each hold office for two (2) years, and until their respective successors are elected and shall have been duly

qualified. All other officers shall hold office for one (1) year, and until their respective successors are elected and shall have been duly qualified.

Section 2. The Governing Body

(a) The Board of Directors

Members of the Board shall be natural persons of full age, who need not be residents of the Commonwealth, but who shall be Members of the Association. They shall be elected by the Members at the Annual Meeting of the Association. The Board of Directors shall be composed of thirty (30) persons, consisting of a Chairman of the Board, a President, four (4) Vice Presidents, a Secretary, and a Treasurer, plus twenty-two (22) additional members. All terms of the members of the Board of Directors, except the Chairman and the President, shall be for a period of one (1) year, and until each successor shall be elected and qualify. The Board shall have the power to fill vacancies in the Board in the interval between elections.

(b) Duties of Board Members. In order to sustain Board Membership in good standing, a Board Member must:

- (i) Pay annual dues at a minimum of the amount of at least ten (10) times the amount of a Regular Member's annual dues per year;
- (ii) Attend at least half of the regularly scheduled meetings of the Board;
- (iii) Support at least half of the Associations annual functions by contribution or attendance.

(c) The Members may remove any member of the Board of Directors from office, without assigning any cause. In case the Board, or any one or more Directors thereof are so removed, a substitute Director or Directors may be appointed at the same meeting pursuant to a vote of the majority of the Members present.

(d) A Director of the Association shall stand in a fiduciary relation to the Association 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 Association, and with such care, including reasonable inquiry, skill and diligence as a person of ordinary prudence

would use under similar circumstances. In performing such duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

- (i) One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented.
 - (ii) Counsel, public accountants or other persons, as to matters that the Director reasonably believes to be within the professional or expert competence of such person.
 - (iii) A Committee of the Board upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which the Director reasonably believes to merit confidence.
- (e) 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 reliance to be unwarranted.
- (f) In discharging the duties of their respective positions, the Board of Directors, Committees of the Board, and individual Directors may, in considering the best interests of the Association, consider the effects of any action upon employees, upon suppliers and customers of the Association, and upon communities in which offices or other establishments of the Association are located, and all other pertinent factors. The consideration of these factors shall not constitute a violation of this section.
- (g) 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 Association.
- (h) A Director of the Association shall not be personally liable for monetary damages as such, for any action taken, or failure to take any action, unless:
- (i) The Director has breached or failed to perform the duties of his or her office under this section and in accordance with the standard of conduct contained in Section 5712 of the PA Nonprofit Corporation Act (“Act”) and any amendments and successor acts thereto; and

- (ii) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.
 - (iii) The provisions of this section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute; or the liability of a Director for the payment of taxes pursuant to local, State or Federal law.
- (i) Directors as such, shall not receive any stated salary for their services, but by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board, PROVIDED, that nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore.
 - (j) Executive Committee. The Board of Directors may, by resolution, appoint an Executive Committee of not more than seven (7) of its members to act on behalf of the Board between meetings with such powers as the Board may choose to delegate. The actions of the Executive Committee between meetings of the Board will be ratified by the Board at its next regularly scheduled meeting.

Section 3. Duties of the Chairman

The Chairman shall be a Past President of the Association, who shall preside at the Annual Meeting of the Association and conduct the annual election of the Officers and the Board of the Association. He or she shall be an ex-officio member of all standing and special committees. The Chairman shall not stand for election, but shall be appointed by, and serve at the pleasure of the Board of Directors of the Association.

Section 4. Duties of the President

- (a) The President shall preside at all regular meetings of the Board and shall enforce the bylaws and regulations of the Association. He or she shall perform such other duties as shall be imposed upon him or her by resolution of the Board. He or she shall be an ex-officio member of all standing and special committees. The President and the Secretary shall execute all contracts and obligations of the Association.
- (b) Appointment of Standing Committees

The President shall appoint each year, subject to the approval of the Board, such committees as the Board shall direct.

Section 5. Duties of Vice Presidents

In the absence of the President, the Vice Presidents in the order of their seniority shall perform the duties of the President. In the event of the death or disability of the President, the Vice President senior in rank shall act until a President is elected at the next Annual Meeting. Should neither the President nor any of the Vice Presidents be present at any meeting, a meeting chairman shall be appointed by the vote of the members present.

Section 6. Duties of the Secretary

The Secretary shall keep the Minutes and other official reports of the Association, send notices of Board Meetings and make any necessary arrangements for such meetings. He or she shall conduct official correspondence of the Board to members of the Board, prepare a list of names, addresses and telephone numbers of all Board members each year as promptly as possible after the Annual Election of Officers and shall supply a copy of such list to each Board member. The Secretary shall maintain records of membership dues payable, including up-to-date mailing lists, keep all records, books, documents and papers relating to the Association in such place as shall be available to the Board, and shall perform such other duties as may be assigned to him or her by direction of the Board.

Section 7. Duties of the Treasurer

The Treasurer shall keep accounts of all monies received by him or her and shall deposit the same in the name of the Association in such depository as shall be designated by the Board. He or she shall not pay out or disburse any monies of the Association except in such manner and for such purpose as shall be approved by the signature or the counter-signature of the officers of the Association authorized to approve such disbursements by motion or resolution of the Board. The Treasurer shall not be held liable for any monies paid out or disbursed upon check or vouchers signed or countersigned as aforesaid. At each monthly meeting of the Board, he or she shall make a statement of the financial condition of the Association, and at the Annual Meeting he or she shall submit a detailed report of the financial condition of the Association for the preceding year that may be audited or reviewed by accountants designated by the Board.

Section 8. Certain Fiscal Regulations

Any officer of the Association having the custody or control of any funds of the Association shall give such bond as may be required by the Board.

ARTICLE VIII - BOARD OF DIRECTORS

Section 1. Powers

The Board of Directors shall have the power to direct and manage the affairs of the Association and to authorize all contracts and agreements necessary for the proper transaction of the Association's business and for the better achievement of its purposes.

Section 2. Monthly and Special Meetings

The Board shall meet for the transaction of business at least every three (3) months on such dates as shall be agreed upon by the Board, with the exception of July and August, when regular meetings may be held at the discretion of the President. Special Meetings of the Board may be called by the President or by any three (3) members of the Board, provided that notice specifying the business to be transacted at any Special Meeting shall be transmitted to each member of the Board before the time of said meeting.

Section 3. Quorum

In order legally to transact any business of the Association there shall be present at any Regular or Special Meeting a quorum consisting of at least nine (9) members of the Board.

Section 4. Annual Report

At the Annual Meeting, the Board of Directors, through the President, shall make a full report to the Members of their proceedings during the preceding Association year, and shall make such recommendations as they deem advisable.

Section 5. Filling Vacancies

A vacancy occurring among the officers of the Association (except the President) or among the Board of Directors during the regular term thereof shall be filled by the Board of Directors, at a Regular meeting of the Board or at a Special Meeting called for the purpose, by a majority of the members present voting in favor of a particular nominee. A vacancy in the office of the President shall be filled at the next annual or special meeting of the Members.

Section 6. Duties of Board Members

The Board shall prescribe from time to time, at the recommendation of the President, such requirements and duties of the members of the Board as they deem appropriate or necessary. Such requirements may include, but are not limited to, minimum requirements for attendance at periodic board meetings, levels of membership contribution, or support of Association activities. Any member of the Board who shall fail to meet such requirements or to fulfill such duties may be removed from the Board by majority vote thereof.

ARTICLE IX - DUTIES OF COMMITTEES

The Board shall prescribe the duties of the various committees. Committee chairpersons shall report either in person, in writing, or by proxy at each Regular Meeting of the Board of Directors and shall render to the Treasurer a complete written accounting of receipts and expenditures incident to the activity with which the chairperson was charged.

ARTICLE X – EMERITUS BOARD MEMBERS

There may be created at the direction of the Board of Directors the position of Board Member Emeritus, which may be bestowed by the Board upon anyone who has performed long and distinguished service on behalf of the Association. Board Members Emeritus may serve at his or her pleasure during his or her lifetime, until removed by the Board of Directors or until he or she shall resign. The number of Board members Emeritus shall not exceed five at any one time.

ARTICLE XI – BOOKS AND RECORDS

Section 1. The Association shall keep an original or duplicate record of all of the Association's proceedings, the original or a copy of its Bylaws, including all amendments thereto to date, certified by the Secretary of the Association. The Association shall also keep appropriate, complete, and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the Association in this Commonwealth, or at its principal place of business wherever situated.

Section 2. The Members shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, books and records of account, and records of the proceedings of the Members and Directors, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the Members. The demand under oath shall be directed to the Association at its registered office in this Commonwealth or at its principal place of business wherever situated.

ARTICLE XII – TRANSACTION OF BUSINESS

Section 1. The Association shall make no purchase of real property, nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by a vote of two thirds of the members in office of the Board of Directors. Unless otherwise restricted in these Bylaws, no consent of the Members shall be required to make effective such action by the Board. If the real property is subject to a trust, the conveyance away shall be free of the trust and the trust shall be impinged upon the proceeds of such conveyance.

Section 2. Whenever the lawful activities of the Association involve, among other things, the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Association, and in no case shall be divided or distributed in any manner whatsoever among the Members, Directors or Officers of the Association.

Section 3. All checks or demands for money and notes of the Association shall be signed by such officer or officers as the Board of Directors may from time to time designate.

ARTICLE XIII ANNUAL REPORT

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

- (a) The assets and liabilities, including the trust funds, of the Association as of the end of the fiscal year immediately preceding the date of the report.
- (b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report. The revenue or receipts of the Association, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Association.
- (c) The expenses or disbursements of the Association, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Association.

This report shall be filed with the minutes of the meeting of the Members.

ARTICLE XIV NOTICES

Section 1. 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 electronic mail (“e-mail”), first class mail, postage prepaid, or by telegram, charges prepaid, to the Member's address(es) appearing on the books of the Association, or, in the case of Directors, supplied by the Director to the Association for the purpose of notice. If the notice is sent by e-mail, mail, or by fax, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail, or when electronically transmitted to such person. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these Bylaws. When a special meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 2. Whenever any written notice is required to be given under the provisions of the statute or the Articles or Bylaws of this Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at, nor the purpose of a meeting, need be specified in the waiver of notice of such meeting. In the case of a special meeting of the Members, such waiver of notice shall specify the general nature of the business to be transacted.

Section 3. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XV- MISCELLANEOUS PROVISIONS

Section 1. Any action of the Board of Directors of the Association may be taken by a consent in writing signed by a majority of Board Members then in office. Such consent shall have the same force and affect as a resolution of the Board made and adopted at a regular meeting thereof.

Section 2. One or more persons may participate in a meeting of the Board by means of a conference telephone, video teleconference, or similar communications equipment by means of which all persons participating in the meeting can hear and/or see each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE XVI- INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER
AUTHORIZED REPRESENTATIVES; RIGHT TO INDEMNIFICATION.

Section 1. The Association shall indemnify any officer or Director or employee or representative of the Association who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (and whether or not by, or in the right of, the Association), by reason of the fact that such person is or was a representative of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal proceeding, had no reason to believe such conduct was illegal, provided, however, that no persons shall be entitled to indemnification pursuant to this Article in any instance in which the action or failure to take action giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness; and provided, further, however, in instances of a claim by or in the right of the Association, indemnification shall not be made under this section in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the Association unless and only to the extent that the court of common pleas of the judicial district embracing the county in which the registered office of the Association is located or the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court of common pleas or other court shall deem proper.

Section 2. PROCEDURE. Unless ordered by a court, any indemnification under section 1 of this Article or otherwise permitted by law shall be made by the Association only as authorized in the specific case, upon a determination that indemnification is proper in the circumstances because he or she has met the applicable standard of conduct set forth under that section. Such determination shall be made:

- (a) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action or proceeding; or
- (b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 3. RIGHT TO BRING SUIT. If a claim under Section 1 of this Article is not paid in full by the Association within thirty (30) days after a written claim has been received by the Association, then the person bringing such a claim under Section 1 of this Article (hereinafter referred to as the "claimant") may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall

also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action that the claimant's conduct was such that indemnification of the amount claimed would violate the public policy of the Commonwealth of Pennsylvania, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances, nor an actual determination by the Association (including its Board of Directors or independent legal counsel) that the claimant's conduct was such that indemnification would violate such public policy, shall be a defense to the action or create a presumption that the claimant's conduct was such that indemnification would violate such public policy.

Section 4. INSURANCE AND FUNDING. The Association will purchase and maintain insurance to protect itself and any person eligible to be indemnified hereunder against any liability or expense asserted or incurred by such person in connection with any action, whether or not the Association would have the power to indemnify such person against such liability or expense by law or under the provisions of this Article. The Association may create a trust fund, grant a security interest, cause a letter of credit to be issued or use other means (whether or not similar to the foregoing) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

Section 5. NON-EXCLUSIVITY; NATURE AND EXTENT OF RIGHTS. The right of indemnification provided for herein:

- (a) Shall not be deemed exclusive of any other rights, whether now existing or hereafter created, to which those seeking indemnification hereunder may be entitled under any Agreement, Bylaw or Charter Provision, vote of Directors or otherwise;
- (b) Shall be deemed to create contractual rights in favor of persons entitled to indemnification hereunder;
- (c) Shall continue as to persons who have ceased to have the status pursuant to which they were entitled or were denominated as entitled to indemnification hereunder, and shall inure to the benefit of the heirs and legal representatives of persons entitled to indemnification hereunder, and;
- (d) Shall be applicable to actions, suits or proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof. The right of indemnification provided for herein may not be amended, modified or repealed so as to limit in any way the indemnification provided for herein with respect to any acts or

omissions occurring prior to the effective date of any such amendment, modification or repeal.

Section 6. PERSONAL LIABILITY OF DIRECTORS. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, or these Bylaws permit elimination or limitation of the liability of Directors, no Director or the Board of Directors shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Member of the Board of Directors. Any amendment or repeal of this Section which has the effect of increasing Director liability shall operate prospectively only, and shall not affect any action taken, or any failure to act, prior to its adoption.

Section 7. CONFLICT OF INTEREST. Any Director, officer, staff member, or Committee member having a material financial interest, or having an immediate family member with a material financial interest, in a contract or other transaction presented to the Board of Directors or a Committee thereof for authorization, approval or ratification shall make a prompt, full and frank disclosure of such person's interest to the Board or Committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts, known to such person, about the contract or transaction which might reasonably be construed to be adverse to the Association's interest. The Board or Committee to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use personal influence on, nor participate (other than to present factual information or respond to questions) in the discussions and deliberations with respect to such contract or transaction. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present. For purposes of this Section, a person shall be deemed to have a "material financial interest" in a contract or other transaction if such person is the party (or one of the parties) contracting or dealing with the Association, or is a Director, Trustee or officer of, or has a significant financial or other interest in, the entity contracting with the Association.

ARTICLE XVII AMENDMENTS

These Bylaws may be adopted, amended or repealed by the Board of Directors at any duly convened regular or special meeting of Board, by a majority of the members of the Board voting in person or by proxy. All changes to these Bylaws approved by the Directors shall be submitted to the Members for their approval at the next Regular or Special Meeting of the Members.

ARTICLE XVIII DISSOLUTION

Dissolution of the Association shall be approved by an affirmative majority of all Members present, in person or by proxy, at a duly convened meeting for such purpose. Upon dissolution, the remaining assets of the Association shall be placed with a duly registered nonprofit corporation or unincorporated association having the same or similar mission as the Association. In no case shall any assets of the Association inure to the benefit of any private individual or entity.

These Amended and Restated Bylaws were adopted by a majority of the Board of Directors of the Association, subject to the approval of the Members, at a duly authorized meeting of the Board on the _____ day of, _____ 2005.

Attest: _____ (SEAL)
Jeffrey Cosiol , Secretary

* * * * *