

Community Behavioral Health

Bylaws

Rev. 01/2014

BY LAWS
OF
Community Behavioral Health
(a Pennsylvania Nonprofit Corporation)

ARTICLE I

Office, Fiscal Year and Purpose

Section 1.01. Registered Office. The registered office of the corporation in the Commonwealth of Pennsylvania shall be at 801 Market Street, 7th Floor, Philadelphia, Pennsylvania 19107, until otherwise established by a vote of a majority of the board of directors in office, and a statement of such change is filed in the Department of State; or until changed by an appropriate amendment of the articles of the corporation.

Section 1.02. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January in each year.

Section 1.03 Purpose. The purpose of the Corporation is to ensure that Philadelphians with mental health and substance abuse needs receive the most appropriate and effective treatment in the least restrictive and most cost effective setting. To this end, the Corporation performs the following activities:

plans for and coordinates the delivery of mental health and substance abuse services to ensure a full and appropriate range of treatment modalities and supportive services.

works closely on behalf of the City of Philadelphia to create a unified, integrated mental health and substance abuse system;

engages third parties to provide mental health and substance abuse services; and,

monitors and evaluates services, and requires accountability from its contracted providers

The corporation is incorporated pursuant to the Commonwealth of Pennsylvania Nonprofit Corporation Law of 1988, as amended, and is authorized to exercise all lawful corporate powers as provided thereunder. The corporation is organized and operated exclusively as a tax exempt organization within the meaning of section 501 (c) (3) of the Internal Revenue Code of 1986, as amended. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to any private person. The net earnings of the corporation will be used solely to expand and/or enhance mental health and substance abuse services for residents of the City of Philadelphia.

ARTICLE II

Board of Directors

Section 2.01. Powers: Personal Liability.

(a) The board of directors 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 of directors. The board of directors shall have full power to adopt rules and regulations governing all actions which it takes, except as otherwise provided by the laws of Pennsylvania, and shall have full authority with respect to the distribution and payment of moneys received by the corporation from time to time; provided, however, that the fundamental and basic purposes and powers of the corporation, and the limitations thereon, as expressed in the Articles of Incorporation, shall not thereby be amended or changed. The board of directors may, except as otherwise provided by the laws of Pennsylvania, delegate to committees of its own number, or to officers of the corporation, such powers as it may see fit.

(b) A director of the corporation shall not be personally liable, as such for monetary damages as such for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office under 15 Pa.C.S. Subch. 57B and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this subsection 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.

(c) No alternate may be designated to represent a director or vote in place of a director.

Section 2.02. Qualification and Selection.

(a) Each director of the corporation shall be a natural person of full age.

(b) The City of Philadelphia Commissioner of the Department of Behavioral Health and Intellectual disAbility Services (the “Commissioner”), each City of Philadelphia Deputy Commissioner of the Department of Behavioral Health and Intellectual disAbility Services, the City of Philadelphia (the Deputy Commissioners), Director of Addiction Services for the Department of Behavioral Health and Intellectual disAbility Services, Director of the Office of Mental Health Services for the Department of Behavioral Health and Intellectual disAbility Services, the Commissioner of the City of Philadelphia Department of Human Services, and the Deputy Mayor. Health & Opportunity for the City of Philadelphia are the permanent, ex-officio directors.

(c) If any of the positions in section 2.02(b) do not exist, The Mayor of the City of Philadelphia may appoint a director to the board. That director must be a city employee.

(d) The remaining members of the board of directors may elect two directors to the board of directors of the corporation - one must be a family member of a medical assistance client and the other must be a consumer of the mental health and/or drug and alcohol services who is also a medical assistance recipient.

(e) The Executive Director of the corporation may not be a director of the corporation.

(f) A majority of the board of directors must be officials of the City of Philadelphia.

Section 2.03. Number and Term of Office. The board of directors shall consist of not less than three (3) and not more than nine (9) members. With the exception of the ex-officio directors the Commissioner, the Deputy Commissioners, the Director of Addiction Services, the Director of the Office of Mental Health Services, the Commissioner of the Department of Human Services, and the Deputy Mayor, Health and Opportunity for the City of Philadelphia, all directors shall serve a term of three years with a limitation of two (2) consecutive terms. At the initial selection of directors, approximately one-third (1/3) of the directors will be elected to a one (1) year term, one third (1/3) to a two year term, and one third (1/3) to a three (3) year term. Each director shall hold office until a successor shall have been elected and qualified, except in the event of death, resignation or removal.

Section 2.04. Organization. At every meeting of the board of directors, the president of the corporation or, in the case of a vacancy in the office or absence of the president, the vice president shall preside as the chairman of the meeting, and the secretary/treasurer, or in the absence of the secretary/treasurer, any person appointed by the chairman of the meeting, shall act as secretary/treasurer.

Section 2.05. Resignations and Removal.

(a) Any director of the corporation may resign at any time by giving written notice to the president 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.

(b) A director may be removed from office only for the following reasons: (i) fiduciary irresponsibility and neglect regarding corporate assets, (ii) dereliction of duty in carrying out the responsibilities of the office of a member of the board of directors of the corporation as outlined in the Nonprofit Corporations Act, (iii) engaging in acts or omissions detrimental to the provision of mental health, mental disAbility, drug and alcohol, and other human services by the corporation, (iv) declaration of being of unsound mind or incompetent by final order of a court of competent jurisdiction, (v) conviction of a felony, or (vi) failure, without reasonable justification, to attend three consecutive meetings of the board of directors.

Section 2.06. Vacancies.

(a) The board of directors may declare vacant the office of a director if such director is declared of unsound mind by an order of court, or convicted of felony, or for any other proper cause, or if within 60 days after notice of selection, the director does not accept such office either in writing or by attending a meeting of the board of directors.

(b) Any vacancy in the board of directors because of death, resignation, removal in any manner, disqualification, or any other cause, may be filled by the Mayor of the City of Philadelphia where the Mayor originally appointed the vacated director pursuant to section 2.02 (c) of this Article or by a majority of the remaining members of the board of directors though less than a quorum, at any regular or special meeting where the directors originally elected the vacated director pursuant to Section 2.02 (d) of this Article; and each person so elected shall be a director to serve for the balance of the unexpired term.

Section 2.07. Place of Meeting. Meetings of the board of directors shall be held at such time and place within Pennsylvania as the board of directors may from time to time appoint, or as may be designated in the notice of the meeting.

Section 2.08. Regular Meetings. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors. If the date fixed for any such regular meeting be a legal holiday under the laws of the State where such meeting is to be held, then the same shall be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by resolution of the board of directors. At such meetings, the directors shall transact such business as may properly be brought before the meeting. Notice of regular meetings shall be given to each director in writing at least seven (7) days before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting.

Section 2.09. Annual Meetings. Annual meeting of the board of directors shall be held for the purpose of electing the board of directors and its officers and transacting

such other business as may be properly brought before the meeting. It shall be held during the anniversary month of the board of directors' first official meeting. Notice of the time and place of such annual meeting shall be given in such form as the board of directors may determine. Election of the board of directors shall be by voice vote, except when determined otherwise by the presiding officer. The newly elected director(s) shall take office at the close of the annual meeting of the board of directors.

Section 2.10. Special Meetings.

(a) Special meetings of the board of directors shall be held whenever called by the president or by a majority of the directors, by submitting a written request stating the subject of the meeting, to the secretary/treasurer. The secretary/treasurer shall set the time and place of the meeting, which shall be held not later than 30 days after the receipt of the request. Actions taken at the special meeting shall be limited to the subjects stated in the request. Notice of each such meeting shall be given to each director by Certified Electronic Mail, telephone or in writing at least 24 hours (in the case of notice by telephone or fax) or 48 hours (in the case of notice by telegram) or seven days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting.

(b) Notice of any meeting of the board of directors during any emergency resulting from warlike damage or an attack on the United States or any nuclear or atomic disaster shall be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio. To the extent required to constitute a quorum at any meeting of the board of directors during such an emergency, the officers of the corporation who are present shall be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting.

Section 2.11. Quorum, Manner of Acting, and Adjournment. Except as otherwise provided in Section 2.10 of this Article, 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. No alternate may be designated to represent a director or vote in place of a director. 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 of directors. 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. The directors shall act only as a board and the individual directors shall have no power as such, except that any action which may be taken at a meeting of the directors 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/treasurer of the corporation.

Section 2.12. Director Fees. Each director shall serve without compensation for their services, except for reasonable reimbursement for expenditures.

Section 2.13. Nomination Committee. The board of directors shall designate two or more directors of the corporation to serve on the Nomination Committee. Nominations for the board of directors shall be presented to the board of directors at its annual meeting by the Nominating Committee. The Nomination Committee shall serve at the pleasure of the Board.

ARTICLE III

Notice -Waivers - Meetings

Section 3.01. Notice, What Constitutes. Whenever written notice is required to be given to any person under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, it may be given to the person, either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), Certified Electronic Mail, telex or TWX (with answer back received) or courier services charges prepaid, or by facsimile transmission to his or her address (or to his or her telex, TWX or facsimile number) supplied by the person 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 to the person entitled thereto 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. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these bylaws.

Section 3.02. Waivers of Notice.

(a) Whenever any written notice is required to be given under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by Section 6.07, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting.

(b) 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 3.03. Conference Telephone Meetings. One or more persons may participate in a meeting of the board of directors or a committee 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 the meeting.

ARTICLE IV

Officers

Section 4.01. Number, Qualifications and Designation

(a) The officers of the corporation shall be a president, the vice president, and a secretary/treasurer, and such other officers as may be elected in accordance with the provisions of Section 4.03. Any number of offices may be held by the same person. The president and secretary/treasurer shall be natural persons of full age.

(b) In lieu of the standards of conduct otherwise provided by law, officers of the corporation shall be subject to the same standards of conduct, including standards of care and loyalty and rights of justifiable reliance, as shall at the time be applicable to directors of the corporation. An officer of the corporation shall not be personally liable, as such, to the corporation for monetary damages for any action taken, or any failure to take any action, unless the officer has breached or failed to perform the duties of his or her office under the articles of incorporation, these bylaws or the applicable provisions of law and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this subsection shall not apply to the responsibility or liability of an officer pursuant to any criminal statute or for the payment of taxes pursuant to local, state or federal law.

Section 4.02. Election and Term of Office. The officers of the corporation, except the President, shall be elected annually by the board of directors, and each such officer shall hold office until the next annual organization meeting of directors and until a successor shall have been elected and qualified, or until death, resignation, or removal. The office of the President will be permanently filled by the City of Philadelphia Commissioner of the Department of Behavioral Health and Intellectual Disability Services.

Section 4.03. Subordinate Officers, Committees and Agents. The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the board of directors may from time to time determine. The board of directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

Section 4.04. Resignations. Any officer may resign at any time by giving written notice to the board of directors, or to the president or the secretary/treasurer 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.

Section 4.05. Removal. Any officer, committee, employee or other agent of the corporation may be removed, either for or without cause, by the board of directors or other authority which elected, retained or appointed such officer, committee or other agent whenever in the judgment of such authority the best interest of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed.

Section 4.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 4.03, as the case may be, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexplored portion of the term.

Section 4.07. General Powers. All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be determined by resolutions or orders of the board of directors, or, in the absence of controlling provisions in resolutions or orders of the board of directors, as may be provided in these bylaws.

Section 4.08. The President. The president shall preside at all meetings of the board of directors and shall see that all orders and resolutions of the board are carried into effect. Except where inconsistent with these By-Laws, the President, with the approval of the Board of Directors, shall appoint the Chairperson and membership of all committees of the Board of Directors.

Section 4.09. The Vice President. The vice president shall perform the duties of the president in the absence of the president and such other duties as may from time to time be assigned to them by the board of directors, or the president.

Section 4.10. The Secretary/Treasurer.

(a) The secretary/treasurer shall attend all meetings of the board of directors and shall record all the votes of the directors and the minutes of the meetings of the board of directors and of committees of the board in a book or books to be kept for that purpose; 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 of directors, or the president.

(b) The secretary/treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer, and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors, or the president.

Section 4.11. The Executive Director.

(a) The executive director shall be the chief executive officer of the corporation, and shall have active daily management of the operating affairs of the corporation, subject, however, to the direction and control of the board of directors. He or she shall have operating, management and administrative control and shall supervise, direct, and be responsible for the Corporation's staff and shall ensure that all lawful orders and resolutions of the Board delegated to the staff are carried into effect. He or she shall attend all meetings of the board of directors and report to the board on the operations of the corporation. Subject to the directives and resolutions of the board of directors, he or she shall have the general powers, duties, and responsibilities of supervision and management usually invested in the chief operating officer of the corporation. The executive director shall, however, in all respects be an employee of the corporation and shall always be subject to the direction and control of the board of directors.

(b) The executive director shall sign, execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation; and, in general, shall perform all duties from time to time that may be assigned by the board of directors.

(c) The executive director shall not be an official of the City of Philadelphia, or a director of the corporation.

Section 4.12. Salaries. The salary of the executive director shall be fixed from time to time by the board of directors or by such officer as may be designated by resolution of the board. The salaries or other compensation of any other employees and other agents shall be fixed from time to time by the officer or committee to which the power to retain or appoint such employees or other agents has been delegated

pursuant to Section 4.03. The board of directors will effect an annual personnel review of the Executive Director.

ARTICLE V

Indemnification of Directors, Officers and Other Authorized Representatives

Section 5.01. Scope of Indemnification

(a) The corporation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise, by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

- (1) where such indemnification is expressly prohibited by applicable law;
- (2) where the conduct of the indemnified representative has been finally determined pursuant to Section 5.06 or otherwise:
 - (i) to constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. § 5713 or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or
 - (ii) to be based upon or attributable to the receipt by the indemnified representative from the corporation of a personal benefit to which the indemnified representative is not legally entitled; or
- (3) to the extent such indemnification has been finally determined in a final adjudication pursuant to Section 5.06 to be otherwise unlawful.

(b) If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the corporation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) The termination of a 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 indemnified representative is not entitled to indemnification.

(d) For purposes of this Article:

(1) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a director, officer, employee or agent of the corporation, or, at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of other domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;

(2) "indemnified representative" means any and all directors and officers of the corporation and any other person designated as an indemnified representative by the board of directors of the corporation, (which may, but need not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, employee benefit plan or other entity or enterprise);

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the corporation, a class of its security holders, if any, or otherwise.

Section 5.02. Proceedings Initiated by Indemnified Representatives.

Notwithstanding any other provision of this Article, the corporation shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office. This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 5.06 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 5.03. Advancing Expenses. The corporation shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 5.01 or 5.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay such amount if it shall ultimately be determined pursuant to Section 5.06 that such person is not entitled to be indemnified by the corporation

pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 5.04. Securing of Indemnification Obligations. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms and conditions shall be conclusive and shall not be subject to voidability.

Section 5.05. Payment of Indemnification. An indemnified representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the secretary of the corporation.

Section 5.06. Arbitration. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under the Article shall be decided only by arbitration in the City of Philadelphia, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the corporation, the second of whom shall be selected by the indemnified representative and the third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, and if one of the parties fails or refuses to select an arbitrator, or the arbitrators selected by the corporation and the indemnified representative cannot agree on the selection of the third arbitrator within 30 days after such time as the corporation and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such metropolitan area. Each arbitrator selected as provided herein is required to be or have been a director or executive officer of a corporation whose shares of common stock were listed during at least one year of such service on the New York Stock Exchange or the American Stock Exchange or quoted on the National Association of Securities Dealers Automated Quotations System. The party or parties challenging the right of an indemnified representative to the benefits of the Article shall have the burden of proof. The corporation shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the corporation shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified

representative under Section 5.01 (a)(2) in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

Section 5.07. Contribution. If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the corporation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 5.08. Discharge of Duty. An indemnified representative shall be deemed to have discharged such person's duty to the corporation if he or she has relied in good faith on information, advice or an opinion, report or statement prepared by:

(1) one or more officers or employees of the corporation whom the indemnified representative reasonably believes to be reliable and competent with respect to the matter presented;

(2) legal counsel, public accountants or other persons as to matters that the indemnified representative reasonably believes are within the person's professional or expert competence; or

(3) a committee of the board of directors on which he or she does not serve as to matters within its area of designated authority, which committee he or she reasonably believes to merit confidence.

Section 5.09. Mandatory Indemnification of Directors, Officers, etc. To the extent that a directors, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in 15 Pa.C.S. § 5741 or § 5742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

Section 5.10. Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the corporation and the indemnified representative pursuant to which the corporation and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 5.11. Scope of Article. The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of disinterested directors or otherwise, both as to action in an official capacity and as to action in any other capacity. The indemnification, contribution and

advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 5.12. Reliance on Provisions Each person who shall act as an indemnified representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification, contribution and advancement of expenses provided by this Article.

Section 5.13. Interpretation. The provisions of this Article are intended to constitute bylaws authorized by 15 Pa.C.S. § 5746(a).

ARTICLE VI Miscellaneous

Section 6.01. 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 of directors.

Section 6.02. Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such one or more officers or employees of the corporation as the board of directors may from time to time designate.

Section 6.03. Contracts. Except as otherwise provided in these bylaws, the board of directors 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.

Section 6.04. 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 of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees of the corporation as the board of directors shall from time to time designate.

Section 6.05. Annual Report of Directors. The board of directors shall direct the President and secretary/treasurer to present at the annual meeting of the board a report showing in appropriate detail the following;

- (1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report.
- (2) The principal changes in assets and liabilities including trust funds, 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, including separate data with respect to each trust fund held by or for the corporation.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

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

Section 6.06. Parliamentary Procedure. Except where inconsistent with these By-Laws, all meeting shall be conducted in accordance with the most recent edition of Robert's Rules of Order.

Section 6.07. Amendment of Bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted, by vote of a majority of the board of directors of the corporation in office at any regular or special meeting of directors. Such proposed amendment, repeal or new bylaws, or a summary thereof, shall be set forth in any notice of such meeting, whether regular or special.