

EAGLES MERE CONSERVANCY

BY-LAWS

REVISED 8/21/05

Preamble

REVISED 10/05/08

The purpose of the Conservancy, as stated in the Articles of Incorporation, is as follows:

The purpose of the corporation shall be to preserve natural resources through land acquisition for water and soil conservation, wildlife sanctuary and refuge, and preservation of scenic beauty in Eagles Mere, PA and the surrounding area.

The corporation shall be organized exclusively for charitable, educational and scientific purposes as defined by a 501 (c)(3) of the Internal Revenue Code (or the corresponding provision of any further Internal Revenue Law of the United States). The stated purpose of the corporation shall be so construed and the operations of the corporation in furtherance of such purposes shall be so conducted, as to qualify the corporation as an exempt organization within the meaning of that Section. No part of the net earnings or the corporation shall inure to the benefit of any director or officer of the corporation, or any private individual, nor shall such director, officer or individual receive any pecuniary benefits of any kind except reasonable compensation for services affecting the corporate purposes. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation; nor shall the corporation participate in, or intervene in, (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

Upon the dissolution of the corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law),

as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE I – OFFICES

1. The office of the corporation shall be in Eagles Mere, PA. The mailing address shall be Box 64, Eagles Mere, PA 17731.
2. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the corporation may require.

ARTICLE II – SEAL

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

ARTICLE III – MEMBERS

1. All contributors shall be members in 1981. Thereafter, the Board of Directors will determine the amount of initiation fee, if any, and annual dues payable by members.
2. The Board of Directors, by the affirmative vote of two-thirds of all members of the Board, may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who shall be in default in the payment of dues or assessments.
3. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

4. Membership in this corporation is not transferable or assignable.

ARTICLE IV – MEETINGS OF MEMBERS

1. Meetings of the members shall be held at Eagles Mere, Pennsylvania, or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors.
2. The annual meeting of the members shall be held in August, when they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six months after the designated time, any member may call such a meeting.
3. Special meetings of the members may be called at any time by the President, or the Board of Directors, or members entitled to cast at least ten percent (10%) of the votes which all members are entitled to cast at the particular meeting. At any time, upon written request of any person who has called a special meeting, it shall be the duty of the Secretary to fix the time of the meeting which shall be held not more than sixty days after the receipt of the request. If the Secretary shall neglect or refuse to fix the time of the meeting, the person or persons calling the meeting may do so. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.
4. Written notice of every meeting of members, stating the time, place and object thereof, shall be given by, or at the direction of, the Secretary to each member of record entitled to vote at the meeting, at least ten days prior to the day named for the meeting, unless a greater period of notice is required by statute in a particular case. If the Secretary shall neglect or refuse to give notice of the meeting, the person or persons calling the meeting may do so. In the case of a special meeting, the notice shall specify the general nature of the business to be considered at such special meeting.

5. Persons authorized or required to give notice of a meeting of members may, in lieu of any written notice of a meeting of members required to be given, give notice of such meeting by causing notice of such meeting to be officially published. If eighty percent (80%) of the members of record entitled to vote at the meeting do not have addresses of record within the territory of general circulation of the newspapers required for official publication, the notice shall also be published in newspapers which have an aggregate territory or general circulation which includes the addresses of record of at least eighty percent (80%) of such members of record.
6. A meeting of members duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person of fifteen of the members entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation. 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 by statute, adjourn the meeting to such time and place as they may determine, but 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. In the case of any meeting called for any other purpose, those who attend the second of such adjourned meetings although less than a quorum, shall nevertheless constitute a quorum for the purpose of action upon such resolution or other matter, is given to each member of record entitled to vote at such second adjourned meeting at least ten days prior to the day named for the second adjourned meeting.
7. Any action which may be taken at a meeting of the members or of a class of members 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

members who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the corporation.

8. Every member of the corporation shall be entitled to one vote. No member shall sell his vote for money or anything of value. Upon request of a member, the books and records of membership shall be produced at any regular or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members entitled to vote may vote. The right of a member to vote, and his right, title and interest in or to the corporation or its property, shall cease on the termination of his membership.
9. Voting may be by ballot, mail or any reasonable means determined by the Board of Directors. Election for Directors need not be by ballot except upon demand made by a member at the election and before the voting begins.
10. In advance of any meeting of members, the Board of Directors may appoint judges of election, who need not be members, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of any such meeting may, and on the request of any member shall, make such appointment at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge.

ARTICLE V – DIRECTORS

1. The business and affairs of this corporation shall be managed by its Board of Directors, no fewer than nine nor more than forty (40) in number, as shall be determined by the Board. The initial Board, 1981-1983, shall consist of fifteen members. All Board members shall be natural persons of full age, who need not be residents of Pennsylvania but who shall be members of this corporation. Each Director shall normally be elected for a term of three years, and until his successor is elected and shall qualify.

Commencing with the Annual Meeting in 1983 one-third of the Directors shall be elected for an interim term of two years, and one-third for an interim term of one year, in order that each year thereafter one-third of the Board will be replaced or re-elected. A Director may serve no more than two consecutive three-year terms. After an absence from office of one year, the same Director may be re-elected for two more consecutive terms and thereafter may continue to be eligible for re-election with one-year absence between consecutive terms.

2. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of by these By-Laws directed or required to be exercised or done by the members.
3.
 - (i) The meetings of the Board of Directors may be held at such times and at such place or places within the Commonwealth, or elsewhere, as a majority of the Directors may from time to time appoint, or as may be designated in the notice calling the meeting.
 - (ii) Special meetings of the Board of Directors shall be held whenever called by the President or at the request of at least four (4) of the Directors. Notice of each such meeting shall be given to each Director by telephone, e-mail or in writing at least 24 hours before the time in which the meeting is to be held. Every such notice shall state the time and place of the meeting.
 - (iii) The Board of Directors may elect such number of non-voting advisors, not more than twenty (20), as may be determined from time to time by resolution of the Board of Directors. The Board of Directors shall determine by a majority of voting directors those persons to whom non-voting advisor membership will be extended and for what term length.

4. Written or personal notice of every meeting of the Board of Directors shall be given to each Director at least five days prior to the day named for the meeting.
5. A majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business and 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, provided, however, that for the acquisition, divestiture or swap of land 75% of the Directors in office shall constitute a quorum. Any action which may be taken at a meeting of the Directors may be taken without a meeting, if consent or consents in writing setting forth the action so taken shall be signed by all of the Directors in office and shall be filed with the Secretary of the corporation.
6. The Board of Directors may, by resolution adopted by a majority of the Directors in office, establish one or more committees to consist of one or more Directors of the corporation. Any such committee, to the extent provided in the resolution of the Board of Directors or in the By-Laws, shall have and may exercise all of the powers and authority of the Board of Directors, except that no such committee shall have the power or authority as to the following:
 - (a) The submission to members of any action required by statute to be submitted to the members for their approval.
 - (b) The filling of vacancies in the Board of Directors
 - (c) The adoption, amendment or repeal of the By-Laws.
 - (d) Action on matters committed by the By-Laws or resolution of the Board of Directors to another committee of the Board.Notwithstanding the provisions requiring a resolution by the Board of Directors to establish a committee, the President of the corporation may appoint a nominating committee annually or more frequently as needed. The President of the corporation may establish such task forces as may be necessary, in the President's sole discretion.
7. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any

meeting of the committee. In the absence or disqualification of a member of a committee, the members or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member. Each committee of the Board shall serve at the pleasure of the Board.

8. The Board of Directors shall have the authority to fix the compensation of Directors for their services as such, and a Director may also be a salaried officer of the corporation.
9. The Board of Directors may declare vacant the office of a Director if he is declared of unsound mind by an Order of any Court of competent jurisdiction, or convicted of a felony, or for any other proper cause, or if after notice of his selection, he does not accept, within 60 days' notice, such office either in writing or by attending a meeting of the Board of Directors, and fulfill such other requirements of qualifications as the By-Laws may specify.
10. Any vacancy or vacancies in the Board of Directors because of death, resignation, removal in any manner, disqualification, an increase in the number of directors, or any other cause, shall be filled according to this Article, and each person so elected shall be a Director to serve the balance of the unexpired term.
11. Any Director of the corporation may resign at any time by giving written notice to the President or Secretary. 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.

11.1. Personal Liability of Directors:

- (a) **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 reasonable believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- i. One or more officers or employees of the corporation whom the Director reasonable believes to be reliable and competent in the matters presented.
- ii. Counsel, public accountants or other persons as to matters which the Director reasonable 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 committee the Director reasonable 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.

(b) **Consideration of factors.** In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the corporation, consider the effects of any action upon employees, upon the members of the corporation and upon the communities in which the corporation is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a).

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

(d) **Personal Liability of Directors.**

- (i) A Director shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless:

(A) the Director has breached or failed to perform the duties of his or her office under this section; and

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

(ii) The provisions of paragraph (1) 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.

13. Director Conflict of Interest

(a) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved as provided in this section.

(b) A transaction in which a director of a corporation has a conflict of interest may be approved.

(i) in advance by the vote of the board of directors or a committee of the board if:

(A) the material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board, and

(B) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation.

(c) For purposes of this section, a director of the corporation has an indirect interest in a transaction if (1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction or (2) another entity of which the director is a director, officer, or trustee is a party to the transaction.

(d) For purposes of subsection (b), a conflict of interest is authorized, approved, or ratified, if it receives the affirmative vote of a majority of the directors on the board or on the committee, who have no direct or indirect interest in the transaction, but a transaction may not be

authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection (b)(1) if the transaction is otherwise approved as provided in subsection (b).

(e) A resolution of the board may impose additional requirements on conflict of interest transactions.

ARTICLE VI -- OFFICERS

The executive officers of the corporation shall be chosen by the Board in August of each year, and shall be a President, Vice President, Secretary, Treasurer and such other officers and assistant officers as the needs of the corporation may require. The President, Vice President and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. They shall hold their offices for a term of one year and shall have such authority and shall perform such duties as are provided by the By-Laws and as shall from time to time be prescribed by the

1. Board. Each such officer who is a natural person shall be a member of the Board of Directors.
2. An officer shall perform his duties as an officer in good faith, in a manner he 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. A person who so performs his duties shall not be liable by reason of having been an officer. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without

- prejudice to the contract rights of any person so removed.
3. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and Directors; he shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carried into effect subject, however, to the right of the Directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the corporation. He shall execute bonds, mortgages and other documents requiring a seal, under the seal of the corporation. He shall be ex-officio a member of all committees and shall have the general powers and duties of supervision and management. Usually vested in the office of President.
 4. The Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.
 5. The Secretary shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the corporation and minutes of all its transactions in a book to be kept for that purpose, and shall perform like duties for all committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notes of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the corporation, and when authorized by the Board, affix the same to any instruments requiring it.
 6. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and

disbursements in books belonging to the corporation, and shall keep the moneys of the corporation in a separate account to the credit of the corporation. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the corporation.

ARTICLE VII – VACANCIES

1. If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.
2. Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of Directors, shall be filled by a majority of the remaining members of the Board, though less than a quorum, and each person so elected shall be a Director until his successor is elected by the members, who may take such election at the next annual meeting of the members, or at any special meeting duly called for that purpose and held prior thereto.

ARTICLE VIII – BOOKS AND RECORDS

1. The corporation shall keep an original or duplicate record of the proceedings of the members and the Directors, the original or a copy of its By-Laws, including all amendments thereto to date, certified by the Secretary of the corporation, and an original or duplicate membership register, giving the names of the members, and showing their respective addresses and the class and other details of the membership of each. The corporation 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 corporation in this Commonwealth, or at its principal place of business wherever situated.

ARTICLE IX – TRANSACTION OF BUSINESS

1. The corporation 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, except that whenever there are twenty-one or more directors, the vote of a majority of the members in office shall be sufficient. Unless otherwise restricted in these By-Laws, no vote or 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 trust and the trust shall be impinged upon the proceeds of such conveyance.
2. Whenever the lawful activities of the corporation 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 corporation, and in no case shall be divided or distributed in any manner whatsoever among the members, directors or officers of the corporation.
3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

ARTICLE X – 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 corporation 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 report.
- (c) 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.
- (d) 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.
- (e) The number of members of the corporation as of the date of the report, together with a statement of increase and decrease in which manner during the year immediately preceding the date of the report, and a statement of the place where the names and addresses of the current members may be found.

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

ARTICLE XI – NOTICES

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 United States mail, postage prepaid, or by telegram, charges prepaid, to his address appearing on the books of the corporation, or, in the case of Directors, supplied by him to the corporation for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission 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 By-Laws. When a special meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.
2. Whenever any written notice is required to be given under the provisions of the statute or the Articles of By-Laws of this corporation, a waiver thereof in writing, signed by the person or persons entitled to

such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by 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 members such waiver of notice shall specify the general nature of business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

3. The President may elect to give written notice to members via publication in a newspaper of general circulation in Sullivan County, PA.

ARTICLE XII – MISCELLANEOUS PROVISIONS

1. The fiscal year of the corporation shall begin the first day of April.
2. One or more persons may participate in a meeting of the Board or of the members by means of conference telephone or similar communications equipment 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 a person at such meeting.
3. So long as the corporation shall continue to be organized on a non-stock basis, the Board of Directors shall have authority to provide for the members to make capital contributions in such amounts and upon such terms as are fixed by the Directors in accordance with the provisions of 5541 of the Nonprofit Corporation Law of 1988.
4. The Board of Directors, by resolution, may authorize the corporation to accept subventions from members or nonmembers on terms and conditions not inconsistent with the provisions of

5542 of the Nonprofit Corporation Law of 1988, and to issue certificates therefore.

5. (a) **Indemnification in Third Party Proceedings.** The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a representative of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonable believed to be in, or not opposed to, the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the persons did not act in good faith and in a manner which he or she reasonable believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action of proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) **Indemnification in Derivative Actions.** The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the corporation, or is or was, serving at the request of the

corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation. No indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the Court of Common Pleas of Sullivan County or the court in which action or suit was brought determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas or such other Court shall deem proper.

- (c) **Mandatory Indemnification.** Notwithstanding any contrary provision of the articles or these By-Laws, to the extent that a representative of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either (a) or (b) above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonable incurred by him or her in connection therewith.
- (d) **Determination of Entitlement to Indemnification.** Unless ordered by a court, any indemnification under (a) or (b) above shall be made by the corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or
- (ii) if such a quorum is not obtainable, or even if obtainable, a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

(e) **Advancing Expenses.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in paragraph (a) or (b).

ARTICLE XIII – AMENDMENTS

1. By-Laws may be amended by the vote of two-thirds of the members present and entitled to cast votes thereon at any regular or special meeting duly convened after thirty days written notice of the proposed changes.

ARTICLE XIV - MISCELLANEOUS

I. All activities or procedures not provided for by these by-laws will be governed by the Nonprofit Corporation Law of 1988, as amended, of the Commonwealth of Pennsylvania, or by any successor legislation.

ARTICLE XII – MISCELLANEOUS PROVISIONS

1. Prior to 2009, the fiscal year of the corporation shall begin the first day of April. The 2008 fiscal year shall be April 1, 2007 through March 31, 2008. From April 1, 2008 through December 31, 2008, an interim reporting period shall exist. Beginning January 1, 2009, the fiscal year of the corporation shall begin on the first day of January.

AMENDED 10/05/08