

**BYLAWS  
OF  
PENNSYLVANIA APARTMENT ASSOCIATION**

**A Pennsylvania Nonprofit Corporation**

**ARTICLE 1 - DEFINITIONS**

**Section 1.1. Definitions.**

The following terms used in these Bylaws shall have the meanings set forth below:

- (a) “Act” means the Pennsylvania Nonprofit Corporation Law of 1988, as amended.
- (b) “Board” means the Board of Directors of the Corporation.
- (c) “Code” means the Internal Revenue Code of 1986, as amended.
- (d) “Corporation” means Pennsylvania Apartment Association.
- (e) “Director” means an individual serving on the Board.
- (f) “Member” means an individual or organization that satisfies the requirements set forth in Article 5 of these Bylaws
- (g) “Officer” means an Officer of the Corporation as defined in Article 10 of these Bylaws.

**ARTICLE 2 - PURPOSES**

**Section 2.1. Purposes.**

The purposes of the Corporation are set forth in its Articles of Incorporation.

**ARTICLE 3 - OFFICES**

**Section 3.1. Offices.**

The registered office of the Corporation shall be located in Pennsylvania. The Corporation may have any number of other offices at such places as the Board may determine.

**ARTICLE 4 - SEAL**

**Section 4.1. Seal.**

The Corporation may use a Corporate Seal. The Corporate Seal shall bear the name of the Corporation, the year of its incorporation and the words “Corporate Seal, Pennsylvania.”

## ARTICLE 5 - MEMBERS

### Section 5.1. Classes.

The Corporation shall have four (4) classes of membership (each a “Membership Class” and collectively, the “Membership Classes”). A Member may be a Member of one (1) Membership Class, only.

The four (4) Membership Classes are as follows:

- (a) ***Owner/Management Company Member.*** Any individual, partnership, firm, or corporation that is in the business of building, owning, rebuilding, converting, selling, or leasing dwelling units, including multi-family homes, apartments, condominiums, and cooperatives, and who subscribes to and whose behavior is consistent with the Code of Ethics of the Corporation (the “Code of Ethics”) shall be eligible for Owner/Management Company Membership.
- (b) ***Supplier Company Member.*** Any individual, partnership, firm, or corporation that is engaged in a trade, industry, or profession related to multi-family housing, whose activities are not inconsistent with the objectives of the Corporation, and who subscribes to and whose behavior is consistent with the Code of Ethics shall be eligible for Supplier Company Membership.
- (c) ***Honorary Member.*** Any individual not otherwise eligible for Membership who, because of meritorious service in the advancement of the purposes and objective of the Corporation or for other good and sufficient causes, shall be eligible for Honorary Membership.
- (d) ***Interim Member.*** Unemployed individuals whose employment with Member companies has ended for any reason and who are between jobs may apply for Interim Member status for one (1) year. Interim Membership is automatically cancelled one (1) year after their employment termination or once new employment is secured, whichever first occurs.

### Section 5.2. Membership Eligibility and Admission.

Membership in the Corporation shall be open to any person, firm, or corporation that: (1) abides by the Corporation’s Bylaws, the National Apartment Association’s Bylaws, and all other Membership eligibility requirements established by the Board, including adherence to the Code of Ethics; and (2) fulfills the requirements for at least one (1) Membership Class. The procedures for admission shall be determined by the Board in its sole discretion.

### Section 5.3. Removal.

A Member may be suspended or expelled for cause by the Board. Grounds for

such suspension or expulsion shall include, but are not limited to: (1) failure to comply with these Bylaws or any other eligibility requirement; (2) ownership or management of a rental or housing property that is condemned by a governmental entity due to the property's substandard condition; (3) failure to comply with applicable health, safety, or building code requirements; (4) operation of rental or housing properties without permits or licenses required by local, state, or federal law; or (5) any other reason deemed appropriate by the Board. Any Member who is suspended or expelled shall not receive a refund of any dues.

#### **Section 5.4. Resignations.**

Any Member may resign at any time by providing written notice to the Corporation, provided, however, that no refund or proration of dues shall be provided in such case.

#### **Section 5.5. Voting Rights.**

Each of the Owner/Management Company Members and Supplier Company Members shall be entitled to one (1) vote. Honorary and Interim Members shall not have voting rights. Voting may be in person, by written ballot at a meeting, or over the phone if attending a meeting telephonically. Except as otherwise provided in these Bylaws, any Member that is a firm, corporation, or other organization shall exercise its voting and other rights as a Member through its President, or by a representative authorized by its President to act on behalf of that Member.

#### **Section 5.6. Dues and Assessments.**

Annual dues, initiation fees, and assessments for Members shall be determined by the Board in its sole discretion. Dues shall be payable annually, on the date established by the Board. Any Member that joins after July 1 will pay a pro-rated amount.

#### **Section 5.7. Nontransferable.**

Membership in the Corporation is not transferable.

#### **Section 5.8. Reserved Powers of Members.**

In addition to the rights accorded to the Members pursuant to **Sections 7.3 and 10.3** of these Bylaws, the approval of the Members shall be required for any of the following actions by the Corporation:

- (a) amendment to the Corporation's Articles of Incorporation or Bylaws;
- (b) substantial changes to the mission of the Corporation;
- (c) the authorization of a plan of voluntary dissolution or the revocation of a plan of dissolution previously approved by the Members;

- (d) the adoption of an agreement or plan of merger; and
- (e) the sale, lease, or exchange of all or substantially all of the Corporation's assets.

## **ARTICLE 6 - MEETINGS OF MEMBERS**

### **Section 6.1. Consent of Members in Lieu of Meeting.**

Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting by written consent of the Members in record form. The written consent shall set forth the action so taken and must be filed with the minutes of the proceedings of the Members.

### **Section 6.2. Annual Meeting.**

The annual meeting of the Members, for election of Directors and Officers and the transaction of any other business which may be brought before the meeting, shall be held not more than one hundred and twenty (120) days after the end of the Corporation's fiscal year, the date to be determined by the Board.

### **Section 6.3. Special Meetings of Members.**

Special meetings of the Members may be called at any time by the President, the Board, or by ten percent (10%) of the voting Members. Upon written request of any person or persons entitled to call a special meeting, the Secretary shall: (a) fix the date and time of the meeting, which shall be held not more than sixty (60) days after receipt of the request; and (b) give notice to the Members of the date, time, and purpose of the special meeting. If the Secretary neglects or refuses to fix the meeting date or give notice within thirty (30) days after receipt of the written request for the special meeting, the person or persons calling the meeting may do so.

### **Section 6.4. Quorum.**

Except as otherwise required by the Act (e.g. to call a special meeting, proposal by the Members of Articles of Amendment, or petition by the Members for voluntary dissolution), the voting Members present at a meeting shall constitute a quorum for the transaction of business. The acts of a majority of the Members present and voting at a meeting at which a quorum is present shall be the acts of the Members.

### **Section 6.5. Notice of Meetings of Members.**

Written notice of every meeting of the Members shall be given by, or at the direction of, the Secretary to the Members at least five (5) days prior to the date of the meeting, unless a greater period of notice is required by the Act or these Bylaws in a particular case. In the case of special meetings of the Members, the notice shall specify the general nature of the business to be transacted.

## **ARTICLE 7 - BOARD OF DIRECTORS**

### **Section 7.1. Board of Directors.**

The business and affairs of the Corporation shall be managed under the direction of the Board. The powers of the Corporation shall be exercised by, or under the authority of, the Board except as otherwise provided by statute, the Articles of Incorporation, these Bylaws, or a resolution adopted by the Board.

### **Section 7.2. Qualifications of Directors.**

Each Director shall be a natural person at least eighteen (18) years of age who need not be a resident of Pennsylvania. Each Director must hold a senior-level position in their respective organization and must be able to represent their organization on important industry matters.

### **Section 7.3. Number and Election of Directors.**

The Board shall consist of fifteen (15) Directors, five (5) of whom shall represent the East Region, West Region, and Central Region of Pennsylvania (each, a "Region"), respectively. Three (3) Directors shall be Supplier Company Members, one (1) of whom shall be from each Region. The Directors shall be elected by the Members at the annual meeting of the Members. No Member company shall be entitled to have more than one (1) employee on the Board.

### **Section 7.4. Term of Office.**

Each Director shall be elected for a term of one (1) year and shall hold office until: (a) the expiration of the term for which he or she was appointed and until his or her successor has been elected and qualified; or (b) his or her earlier death, resignation, or removal, whichever first occurs. Each Director may serve up to four (4) consecutive or non-consecutive one (1) year terms, following which, the Director must either: (1) ascend to an Officer position; or (2) roll-off the Board for a period of at least two (2) years.

### **Section 7.5. Vacancies.**

Vacancies in the Board, including vacancies resulting from: (a) an increase in the number of Directors; or (b) the death, resignation, or removal of a Director, shall be filled by the Board at any time. Each person so appointed shall be a Director to serve for the balance of the term of the vacant position.

### **Section 7.6. Removal of Directors.**

Any Director may be removed from office, with or without cause, by a two-thirds (2/3) vote of the Directors at any regular or special meeting. If any Director is removed, the resulting vacancy may be filled immediately by the Board.

### **Section 7.7. Resignations.**

Any Director may resign at any time by giving written notice to the President. The resignation shall be effective upon receipt by the President or at such subsequent time as may be specified in the notice of resignation.

### **Section 7.8. Compensation of Directors.**

Directors are volunteering their time and talents and shall serve without monetary compensation. A Director may also be a salaried Officer, employee, or agent of the Corporation. Nothing in this Section shall prevent the reimbursement to Directors of expenses incurred by them conducting business for the Corporation, at the discretion of the Board.

### **Section 7.9. Voting Rights.**

Each Director shall be entitled to one (1) vote.

## **ARTICLE 8 - COMMITTEES**

### **Section 8.1. Establishment and Powers.**

The Board may, by resolution adopted by a majority of the Directors, establish one (1) or more committees to consist of one (1) or more Directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that no committee, including the Executive Committee, shall have any power or authority as to the following:

- (a) the submission to the Members of any action requiring approval of the Members under the Act;
- (b) the filling of vacancies in the Board;
- (c) the adoption, amendment, or repeal of the Bylaws;
- (d) the amendment or repeal of any resolution of the Board; or
- (e) action on matters committed by the Bylaws or by resolution of the Board to another committee of the Board.

### **Section 8.2. Status of Committee Action.**

Except as otherwise provided in **Section 8.1**, the term “Board of Directors” or “Board,” when used in any provision of these Bylaws relating to organization or procedures of or the manner of taking action by the Board, shall be construed to include and refer to any Executive Committee or other committee of the Board, and any provision of these Bylaws relating or referring to action to be taken by the Board or the procedure required therefor shall be satisfied by the taking of corresponding action by a committee of the Board to the extent authority to take the action has been delegated to the committee.

### **Section 8.3. Term.**

Each committee of the Board shall serve at the pleasure of the Board.

### **Section 8.4. Committee Organization.**

Except as otherwise provided by the Board, each committee shall be chaired by a Director and shall establish its own operating procedures, which may include the election of committee officers. Each committee shall keep regular minutes of its proceedings and report the same to the Board at each regular meeting. Each committee shall determine its times and places of meetings.

### **Section 8.5. Executive Committee.**

The Executive Committee shall be composed of the Officers and the Chair of the Supplier Council. The Executive Committee shall be authorized to act for the Board between its regular meetings. Except as otherwise provided by these Bylaws or by resolution of the Board, the Executive Committee shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

### **Section 8.6. Standing Committees.**

There shall be the following Standing Committees of the Board:

- (a) ***Audit Committee.*** The Audit Committee will assist the Board in fulfilling its oversight responsibilities relating to preparation and integrity of the financial statements and oversight of related disclosure matters; qualification, independence, and performance of the independent auditor; performance of the Corporation's audit function; and compliance with legal and regulatory requirements.
- (b) ***Budget Committee.*** The Budget Committee will assist the Board in compiling forecasts for expenses and creating an annual budget to be presented to the Board for approval.
- (c) ***Education Committee.*** The Education Committee will assist the Board in designating programs, lectures, seminars, and other educational programming for the Members.
- (d) ***Legislative Committee.*** The Legislative Committee will assist the Board by acting as the liaison between state and local legislators and the Corporation. The committee will advise the Corporation on existing and proposed legislation that impacts the multi-family housing industry.
- (e) ***Nominating Committee.*** The Nominating Committee will prepare nominations for Directors and Officers and select Nominating Committee members. The Nominating Committee shall consist of the Immediate Past President, one (1) Member from each Region, and one (1) Supplier Company Member. The Chair of the Nominating Committee (the "Chair") shall be the Immediate Past President. If the Immediate Past President is

unable or unwilling to serve, then the Immediate Past President will be asked to serve, and if that person is unable or unwilling to serve, then the Corporation's President shall select the Chair. None of the members of the Nominating Committee shall be current Directors, unless that Director is not seeking re-election.

The Nominating Committee shall accept applications from the Members for Director, Officer, and Nominating Committee positions for the subsequent year. The Nominating Committee will compile a slate of nominees for open positions (the "Slate") and will mail such Slate to Membership at least fifteen (15) days prior to the annual meeting of the Members. Additional nominations for open offices may be made in writing to the Chair at least ten (10) days prior to the annual meeting of the Members. Any additional nominations received by the Nominating Committee will be provided to the Members. Nominations from the floor shall not be accepted.

- (f) ***Supplier Council.*** The Supplier Council will promote high professional standards and sound business practices among Members for the best interest of the industry and the public. The Supplier Council will advance the general welfare of the apartment housing industry by developing strong relationships among the apartment housing industry and national, regional, and local business and corporations that supply goods and/or services to the apartment housing industry. The Supplier Council will work collectively with the Corporation to develop the apartment housing market and will serve as the voice for all apartment housing industry suppliers, providing access to business opportunities, education, and advocacy. The Chair of the Supplier Council shall be one (1) of the Supplier Company Member Directors.

The President shall appoint the members of all Standing Committees, other than the Nominating Committee, annually. The Board may, by resolution, determine not to constitute a Standing Committee in any year.

#### **Section 8.7. Ad Hoc Committees.**

The Board may create one (1) or more Ad Hoc Committees, which may include a Membership Committee or Tradeshow Committee.

#### **Section 8.8. Regional Advisory Councils.**

The Board may create one (1) or more Regional Advisory Councils (each, a "RAC"). The members of each RAC shall be selected at any meeting by the Board and shall serve at the will of the Board. The number of persons serving on any RAC shall be determined by the Board, and all members shall be natural persons who need not be Directors or residents of the Commonwealth of Pennsylvania. Each RAC will have a Board liaison who will meet with the Board and Officers at such times and in such places as determined by the Board. At the request of the Board, a RAC may make



recommendations and provide advice to the Board relating to the programming, events, and services of the Corporation or such other matters as the Board shall determine. The recommendations of a RAC are to be suggestive only and not binding in any respect upon the Board. RAC members shall not have any fiduciary duties to the Corporation.

## **ARTICLE 9 - MEETINGS OF DIRECTORS**

### **Section 9.1. Place of Meetings.**

The Board may hold its meetings at such places as the Board may appoint or as may be designated in the notice of the meeting.

### **Section 9.2. Annual Meeting.**

Unless the Board provides by resolution for a different time, the annual meeting of the Board shall take place immediately after the annual meeting of the Members. The newly constituted Board shall meet at any place and time designated in a notice given as provided in **Section 11.1**, for the purposes of organization and the transaction of other business.

### **Section 9.3. Regular Meetings.**

The Board may hold its regular meetings at such place and time as shall be designated by resolution of the Board. If the date fixed for any regular meeting is a legal holiday under the laws of Pennsylvania, the meeting shall be held on the next succeeding business day or at such other time as may be determined by resolution of the Board. The Board shall transact such business as may properly be brought before its meetings. Notice of regular meetings need not be given.

### **Section 9.4. Special Meetings of the Board.**

The President or any two (2) Directors may call special meetings of the Board, which shall be held at such time and place as shall be designated in the call for the meeting. Five (5) days' notice of any special meeting shall be given to each Director pursuant to **Section 11.1** or by telephone. Such notice shall state the date, time, and place of such special meeting, but need not state the purpose of the special meeting.

### **Section 9.5. Quorum.**

A majority of Directors shall constitute a quorum for the transaction of business. The acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board.

### **Section 9.6. Participation in Meetings.**

One (1) or more Directors may participate in a meeting of the Board or a committee thereof by means of conference telephone or other electronic technology 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.

**Section 9.7. Organization.**

Every meeting of the Board shall be presided over by the President, or in the absence of the President, the Vice President, or in the absence of the President and the Vice President, a chair chosen by a majority of the Directors present. The Secretary, or in his or her absence, a person appointed by the chair, shall act as secretary.

**Section 9.8. Consent of Directors in Lieu of Meeting.**

Any action required or permitted to be approved at a meeting of the Directors may be approved without a meeting, if a consent or consents to the action in record form are signed, before, on, or after the effective date of the action, by all Directors in office on the date the last consent is signed. The consent or consents may be distributed and collected via electronic mail. The consent or consents must be filed with the Secretary.

**ARTICLE 10 - OFFICERS**

**Section 10.1. Number.**

The Officers of the Corporation shall include a President, a Vice President, a Secretary, and a Treasurer. The same person may hold any number of offices. Two (2) Officers must be representatives from the East Region.

**Section 10.2. Qualifications of Officers.**

The Officers shall be natural persons at least eighteen (18) years of age, who are Directors. The President and Vice President shall be Owner/Management Company Members.

**Section 10.3. Election and Term of Office.**

The Officers shall be elected by the Members at the annual meeting of the Members for terms of one (1) year; provided, however, that the President, Vice President, and Secretary shall serve no more than one (1) consecutive term and the Treasurer shall serve no more than four (4) consecutive terms. Each Officer shall hold office until: (a) the later of the term for which he or she was elected or until his or her successor has been elected and qualified; or (b) until his or her earlier death, resignation, or removal, whichever first occurs.

**Section 10.4. Removal of Officers.**

The Board may remove any Officer, with or without cause, whenever in its judgment the best interests of the Corporation will be served.

#### **Section 10.5. Vacancies.**

Vacancies in Officer positions resulting from: (a) the creation of additional Officer positions; or (b) the death, resignation, or removal of an Officer, shall be filled by a majority vote of the Directors, though less than a quorum. Each person so elected shall be an Officer to serve for the balance of the term.

#### **Section 10.6. Resignations.**

Any Officer may resign at any time by giving written notice to the President. The resignation shall be effective upon receipt by the President or at such subsequent time as may be specified in the notice of resignation.

#### **Section 10.7. The President.**

The President shall have general supervision over the business and operations of the Corporation, subject to the control of the Board. The President shall chair all meetings of the Board, the Executive Committee, and the Member. The President shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of President, as specified by the Act, and such other duties as may be assigned by the Board.

#### **Section 10.8. Vice President.**

In the absence or disability of the President or when so directed by the President, the Vice President may perform all the duties of the President, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall perform such other duties as may be assigned by the Board or the President.

#### **Section 10.9. The Secretary.**

The Secretary shall attend all meetings of the Board and of the Members. The Secretary shall record all votes of the Board and of the Members and the minutes of the meetings of the Board and of the Members in a book or books to be kept for that purpose. The Secretary shall see that required notices of meetings of the Board and of the Members are given and that all records and reports are properly kept and filed by the Corporation. The Secretary shall be the custodian of the seal of the Corporation and shall see that it is affixed to all documents to be executed on behalf of the Corporation under its seal. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the President.

#### **Section 10.10. The Treasurer.**

The Treasurer shall be responsible for corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the

Corporation. The Treasurer shall have full authority to receive and give receipts for all money due and payable to the Corporation, and to endorse checks, drafts, and warrants in its name and on its behalf and to give full discharge for the same. The Treasurer shall deposit all funds of the Corporation, except such as may be required for current use, in such banks or other places of deposit as the Board may designate. In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board or the President. Except as prohibited by the Act, the Treasurer may delegate the duties of Treasurer to one (1) or more employees of the Corporation.

**Section 10.11. Compensation of Officers.**

The Officers of the Corporation are volunteering their time and talents and will serve without monetary compensation. An Officer may also be a salaried employee or agent of the Corporation. Nothing in this Section shall prevent the reimbursement to Officers of expenses incurred by them conducting business for the Corporation, at the discretion of the Board.

**ARTICLE 11 - NOTICE**

**Section 11.1. Written Notice.**

Any notice required to be given to any person shall be given to the person, either personally or by sending a copy thereof:

- (a) By first class or express mail, postage prepaid, or courier service, charges prepaid, to the person's postal address appearing on the books of the Corporation or, in the case of Directors, supplied by the person to the Corporation for the purposes of notice. Notice under this subparagraph shall be deemed to have been given when deposited in the United States mail or with a courier service for delivery to that person.
- (b) By facsimile transmission, e-mail, or other electronic communication to the person's facsimile number or address for e-mail or other electronic communications supplied by the person to the Corporation for the purpose of notice. Notice under this subparagraph shall be deemed to have been given to the person entitled thereto when sent.

A notice of meeting shall specify the date, time, and place of the meeting and any other information required by the Act or these Bylaws. Except as otherwise provided by the Act or these Bylaws, when a meeting is adjourned to a different time or place, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

**Section 11.2. Waiver by Writing.**

Whenever any notice is required to be given, a waiver thereof that is filed with the Secretary in record form, 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. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

**Section 11.3. Waiver by Attendance.**

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.

**ARTICLE 12 - CONFLICTS OF INTEREST**

**Section 12.1. Interested Members, Directors, and Officers.**

A contract or transaction between the Corporation and a Member, Director, or Officer or between the Corporation and another domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust, or other association in which one (1) or more of its directors or officers are Members, Directors, or Officers, or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the Member, Director, or Officer is present at or participates in the meeting of the Board that authorizes the contract or transaction, or solely because the vote of the Member, Director, or Officer is counted for that purpose, if:

- (a) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board and the Board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors even though the disinterested Directors are less than a quorum; or
- (b) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved, or ratified by the Board or the Members.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board that authorizes the contract or transaction.

**ARTICLE 13 - LIMITATION OF LIABILITY; INSURANCE**

**Section 13.1. Limitation of Liability of Members and Directors.**

A Member or Director shall not be personally liable, as such, for monetary damages for any action taken or any failure to take any action as a Member or Director unless:

- (a) the Member or Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of the Act; and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

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

**Section 13.2. Insurance.**

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director or Officer or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the Act. The Corporation's payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Corporation.

**ARTICLE 14 - INDEMNIFICATION**

**Section 14.1. Representative Defined.**

For purposes of this Article, "representative" means any Member, Director, or Officer or a person serving at the request of the Corporation as a director, officer, partner, fiduciary, or trustee of another domestic or foreign corporation for profit or not-for-profit partnership, joint venture, trust, or other enterprise.

**Section 14.2. Third-Party Actions and Derivative Actions.**

The Corporation is required to indemnify any representative against expenses (including attorneys' fees) actually and reasonably incurred if the representative is successful on the merits or otherwise in defense of any third party or derivative action or proceeding or in defense of any claim, issue, or matter therein.

The Corporation shall indemnify any Member, Director, Officer, employee, or agent of the Corporation who was or is a representative of the Corporation and who was or is a party (which includes giving testimony or similar involvement) or is threatened to be made a party to any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative, formal or informal (including an action or proceeding by or in the right of the Corporation), by reason of the fact that he or she was or is a representative of the Corporation, against expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or proceeding if: (a) the representative acted in good faith and in a manner reasonably believed to be in the best interests of the Corporation; and (b) with respect to any criminal proceeding, had no

reasonable cause to believe his conduct was unlawful. If a representative is not entitled to indemnification for a portion of any liabilities to which he or she may be subject, the Corporation shall indemnify him or her to the maximum extent for the remaining portion of the liabilities.

**Section 14.3. Advancing Expenses.**

The Corporation shall pay expenses (including attorneys' fees) actually and reasonably incurred in defending any action or proceeding referred to in **Section 14.2** in advance of the final disposition of the action or proceeding upon receipt of any undertaking by or on behalf of the representative to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article or otherwise.

**Section 14.4. Supplementary Coverage.**

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Act, or any bylaw, agreement, vote of the Members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding that office. The provisions of these Bylaws relating to Conflicts of Interest shall be applicable to any bylaw, contract, or transaction authorized by the Directors under this Article.

**Section 14.5. Prohibited Indemnification.**

No indemnification may be made by the Corporation under this Article or otherwise to or on behalf of any person to the extent that the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

**Section 14.6. Duration and Extent of Coverage.**

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of that person.

**Section 14.7. Reliance and Modification.**

Each person who shall act as a representative of the Corporation shall be deemed to be doing so in reliance upon the rights provided by this Article. The duties of the Corporation to indemnify and to advance expenses to a representative provided in this Article shall be in the nature of a contract between the Corporation and the representative. No amendment or repeal of any provision of this Article shall alter, to the detriment of the representative, his or her right to the advance of expenses or

indemnification related to a claim based on an act or failure to act which took place prior to such amendment or repeal.

## **ARTICLE 15 - ANNUAL REPORT**

### **Section 15.1. Annual Report.**

The Board shall present annually to the Members a report (the “Annual Report”) as required by the Act. The Annual Report shall be filed with the minutes of the meetings of the Members.

## **ARTICLE 16 - TRANSACTION OF BUSINESS**

### **Section 16.1. Real Property.**

The consent of the Members shall not be required for the Corporation to make a purchase of real property or to sell, mortgage, lease away or otherwise dispose of its real property. If the real property is subject to a trust, the conveyance away shall be free of trust and the trust shall be impinged upon the proceeds of such conveyance.

### **Section 16.2. Negotiable Instruments.**

All checks or demands for money and notes of the Corporation shall be signed by such Officer or Officers as the Board may designate.

## **ARTICLE 17 - TRANSPARENCY**

### **Section 17.1. Transparency.**

The Corporation shall ensure that its IRS Forms 990 are complete and accurate and made available to the public.

## **ARTICLE 18 - AMENDMENTS**

### **Section 18.1. Amendments.**

These Bylaws may be amended by approval of the Members, following Board approval.

*Adopted:* \_\_\_\_\_, 2019