



**GREATER PHILADELPHIA REGIONAL SERVICE OFFICE, INC.  
NARCOTICS ANONYMOUS**

**6212 RIDGE AVENUE • REAR • PHILADELPHIA, PA 19128 • 215-483-5154**

February 21, 1996

To: All R.S.O. Board Reps, A.S.R.s,  
R.S.C. Representatives

From: Chas. Nowlin R.S.O. Chairperson

Re: New Bylaws For G.P.R.S.O. Inc.

Enclosed you will find a copy of the new proposed Bylaws for the corporation as written by our attorney Marc Edelson. It would be appreciated if you would look them over and formulate any questions you may have. Tentatively we have set a meeting with the Marc Edelson for our next board meeting on the 2nd of March at approximately 11:00 am. There is a possibility that he may be called to New York for more pressing business, in that case a special meeting will be called and all parties notified.

In Loving Service,  
Chas. Nowlin, Chairperson

CORPORATE RECORDS

OF

GREATER PHILADELPHIA REGIONAL SERVICE OFFICE, INC.

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INCORPORATED UNDER THE LAWS

OF THE

COMMONWEALTH OF PENNSYLVANIA

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LAW OFFICES

OF

HOFFMAN & EDELSON

B Y L A W S

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GREATER PHILADELPHIA REGIONAL SERVICE OFFICE, INC.

ARTICLE I - OFFICES

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1. REGISTERED OFFICE. The registered office of the corporation in Pennsylvania shall be at 6212 Ridge Avenue, Rear, Philadelphia, Pennsylvania 19128 otherwise established by an amendment of the articles or by the board of directors and a record of such change is filed with the Department of State in the manner provided by law.

2. OTHER OFFICE. The corporation may also have offices at such other places within or without Pennsylvania as the board of directors may from time to time appoint or the business of the corporation may require.

ARTICLE II - SEAL

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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 - PURPOSE

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1. This corporation will have the purposes and/or powers as may be stated in its Articles of Incorporation; and such powers as are now or may be granted hereafter under the Pennsylvania Nonprofit Corporation Law of 1988, effective October 1, 1989 ("Nonprofit Business Corporation Law") or any successor legislation.

2. The primary purpose of this corporation is to further the dissemination to the general public of information concerning recovery from the disease of addiction through the Fellowship of Narcotics Anonymous, hereinafter referred to as N.A., ancillary to and in furtherance of this primary purpose, this corporation will provide or assist the Fellowship of N.A. in providing meetings concerning N.A. for addicts and the general public, distribution of N.A. literature and approved N.A. paraphernalia; operation of the N.A. telephone helplines; storage of N.A. archives, memorabilia and records; maintenance of office space and a mailing address; a central location for exchange of N.A. information between various N.A. groups, areas, service committees and such; an umbrella for

conducting and insuring, where practical, conventions and fundraising activities in furtherance of the aforementioned purposes; and such related duties as may benefit the regional N.A. fellowship.

#### ARTICLE IV - MEMBERS

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1. There will be no members, as such, of the corporation.

#### ARTICLE V

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##### NOTICE - WAIVERS - MEETINGS GENERALLY

1. MANNER OF GIVING NOTICE.

(a) General rule. Whenever written notice is required to be given to any person under the provisions of the Nonprofit Business Corporation Law or by the Articles or these by-laws, 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), telex or TWX (with answerback received) or courier service, charges prepaid, or by telecopier, to the address (or to the telex, TWX, telecopier or telephone number) of the person appearing on the books of the corporation or, in the case of directors, supplied by the directors to the then 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 telecopier, when received. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any other provision of the Nonprofit Business Corporation Law, the articles or these bylaws.

(b) Adjourned member meetings. When a meeting of members 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 the adjournment is taken, unless the board fixes a new record date for the adjourned meeting.

2. NOTICE OF MEETINGS OF BOARD OF DIRECTORS. Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director by telephone or in writing at least 24 hours (in the case of notice by telephone, telex, TWX or telecopier) or 48 hours (in the case of notice by telegraph, courier service or

express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice of a meeting.

### 3. WAIVER OF NOTICE.

(a) Written waiver. Whenever any written notice is required to be given under the provisions of the Nonprofit Business Corporation Law, the articles or these bylaws, 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 this subsection, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) 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.

4. MODIFICATION OF PROPOSAL CONTAINED IN NOTICE. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Nonprofit Business Corporation Law or the articles or these bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

### 5. EXCEPTION TO REQUIREMENT OF NOTICE.

(a) General rule. Whenever any notice or communication is required to be given to any person under the provisions of the Nonprofit Business Corporation Law or by the articles or these bylaws or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action and communication with that person is then unlawful, the giving of the notice or communication to that person shall not be required.

(b) Directors without forwarding addresses. Notice or other communication shall not be sent to any member with whom the corporation has been unable to communicate for more than 24 consecutive months because communications to the member are returned unclaimed or the member has otherwise failed to provide the corporation with a current address. Whenever the member provides the corporation with a current address, the corporation shall commence sending notices and other communications to the

member in the same manner as to other members.

6. USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT. One or more persons may participate in a meeting of the board of directors 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 VI

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### BOARD OF DIRECTORS

#### 1. POWERS; PERSONAL LIABILITY.

(a) General rule. Unless otherwise provided by statute all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

(b) Standard of care; justifiable reliance. A director shall stand in a fiduciary relation to the corporation and shall perform his or her duties as a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner the director reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.

(3) 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 reasonably believes to merit confidence.

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

(c) 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, and upon communities in which offices or other establishments of the corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (b).

(d) 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.

(e) Personal liability of directors.

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

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

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

(2) 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.

(f) Notation of dissent. A director who is present at a meeting of the board of directors, or of a committee of the board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the secretary of the corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action. Nothing in this section shall bar a director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary in writing, of the asserted omission or inaccuracy.

## 2. QUALIFICATION AND SELECTION OF DIRECTORS.

(a) Qualifications. Each director of the corporation shall be a natural person of full age who need not be a resident of Pennsylvania.

(b) Election of directors. Except as otherwise provided in these by-laws, directors of the corporation shall be elected by a majority of the directors. In elections for directors, voting need not be by ballot.

(c) Cumulative voting. In each election of directors each director entitled to vote shall have one vote for each director class as defined in Section 3 below.

## 3. NUMBER AND TERM OF OFFICE.

(a) Number. The board of directors shall consist of twenty (20) directors, or as may be determined from time to time by resolution of the board of directors. The following shall constitute the structure of the board of directors: (i) Chairperson of the Executive Committee, (ii) Co-Chairperson of the Executive Committee, (iii) Treasurer of the Executive Committee; (iv) Secretary of the Executive Committee; (v) one representative from the Philadelphia Area, (vi) one representative from the Bee Hive Area; (vii) one representative from the Bucks County Area; (viii) one representative from the Inner City Area; (ix) one representative from the Clean Acres Area; (x) one representative from the Delco Area; (xi) one representative from the Montgomery County area; (xii) one representative from the Greater Camden Area; (xiii) one representative from the Riverfront Area; (xiv) one representative from the Small Wonder Area; (xv) one representative from the Pure and Simple Area; (xvi) one representative from the Schuylkill Valley Area; (xvii) one representative from the Northwest Area; (xviii) one representative from the Pyramid of Freedom Area; (xix) one representative from the West-Southwest Philadelphia Area, and (xx) one representative from the South Philadelphia Area. Notwithstanding Section 2(b) above to the contrary, provided the individual meets all of the criteria herein contained, each of the above area groups shall appoint its own representative to serve as a director.

(b) Term of Office. Each director shall hold office until the expiration of the term for which he or she was elected and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. A decrease in the number of directors shall not have the effect of shortening the term of any incumbent director.

(c) Qualifications. No individual shall serve as a director unless: (i) has continuously abstained from all drugs for at least three (3) years; (ii) stated a working knowledge and



belief in the 12 steps and 12 traditions of Narcotics Anonymous; (iii) has shown a willingness and ability to devote the necessary time; (iv) has previous service experience in Narcotics Anonymous at the group, area service committee, regional service committee or world service conference level, (v) has business or organizational experience outside the Narcotics Anonymous fellowship; and (vi) has been free of felony convictions for theft related charges for the prior five (5) years.

(d) Resignation. Any director may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation.

#### 4. VACANCIES.

(a) General rule. Vacancies in the board of directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority vote of the remaining members of the board though less than a quorum, or by a sole remaining director, and each person so selected shall be a director to serve for the balance of the unexpired term, and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. Vacancies must be filled in accordance with the structure delineated in Section 3(a).

(b) Action by resigned directors. When one or more directors resign from the board effective at a future date, the directors then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

#### 5. REMOVAL OF DIRECTORS.

Removal by the board. Any individual director may be removed from office without assigning any cause by the vote of the majority of the remaining directors. In case any one or more directors are so removed, new directors may be elected at the same meeting. The board of directors may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of a felony, found after reasonable investigation, to have been using a mood-altering chemical of any type, or if within 60 days after notice of his or her selection, the director does not accept the office either in writing or by attending a meeting of the board of directors.

6. PLACE OF MEETINGS. Meetings of the board of directors may be held at such place within or without Pennsylvania as the board of directors may from time to time appoint or as may be designated in the notice of the meeting.

7. ORGANIZATION OF MEETINGS. At every meeting of the board

of directors, the chairman of the board, if there be one, or, in the case of a vacancy in the office of absence of the chairman of the board, one of the following officers present in the order stated: the chairman of the board, if there be one, the treasurer or secretary, or a person chosen by a majority of the directors present, shall act as chairman of the meeting. The secretary or, in the absence of the secretary and the assistant secretary, any person appointed by the chairman of the meeting, shall act as secretary.

8. 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.

9. SPECIAL MEETINGS. Special meetings of the board of directors shall be held whenever called by the chairman or by two or more of the directors.

10. QUORUM OF AND ACTION BY DIRECTORS.

(a) General rule. A majority of the directors in office of the corporation shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

(b) Action by written consent. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the directors in office is filed with the secretary of the corporation.

11. EXECUTIVE AND OTHER COMMITTEES.

(a) Establishment and powers. 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 or members of the corporation. Any committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all of the powers and authority of the board of directors except that a committee shall not have any power or authority as to the following:

(1) The creation or filling of vacancies in the board of directors.

(2) The adoption, amendment or repeal of these bylaws.

(3) The amendment or repeal of any resolution of the board that by its terms is amendable or repealable

only by the board.

(4) Action on matters committed by a resolution of the board that by its terms is amendable or repealable only by the board.

(b) Term. Each committee of the board shall serve at the pleasure of the board.

(c) Executive Committee. There shall exist an executive committee composed of a chairman, co-chairman, treasurer and secretary.

12. COMPENSATION. The corporation may compensate directors entitled to vote in a reasonable amount for services rendered.

## ARTICLE VII

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### OFFICERS

#### 1. OFFICERS GENERALLY.

(a) Number, qualification and designation. The officers of the corporation shall be a president, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of Section 3. Officers may but need not be directors of the corporation. The president and secretary shall be natural persons of full age. The treasurer may be a corporation, but if a natural person shall be of full age. The board of directors may elect from among the members of the board a chairman of the board and a vice chairman of the board who shall be officers of the corporation. Any number of offices may be held by the same person.

(b) Resignations. Any officer may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as may be specified in the notice of resignation.

(c) Bonding. The corporation may secure the fidelity of any or all of its officers by bond or otherwise.

(d) Standard of care. Except as otherwise provided in the articles, an officer shall perform his or her duties as an officer in good faith, in a manner he or she 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. A person who so performs his or her duties shall not be liable by reason of having been an officer of the corporation.

2. ELECTION AND TERM OF OFFICE. The officers of the corporation, except those elected by delegated authority pursuant to Section 3, shall be elected annually by the board of directors, and each such officer shall hold office for a term of one year and until a successor has been selected and qualified or until his or her earlier death, resignation or removal.

3. 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, including one or more assistant secretaries, and one or more assistant treasurers, 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.

4. REMOVAL OF OFFICERS AND AGENTS. Any officer or agent of the corporation may be removed by the board of directors with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

5. 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 3, as the case may be, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexpired portion of the term.

6. AUTHORITY. 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 provided by or pursuant to resolution or orders of the board of directors or in the absence of controlling provisions in the resolutions or orders of the board of directors, as may be determined by or pursuant to these bylaws.

7. THE CHAIRMAN OF THE BOARD. The chairman of the board if there be one, or in the absence of the chairman, the vice chairman of the board, shall preside at all meetings of the members and of the board of directors and shall perform such other duties as may from time to time be requested by the board of directors.

8. THE PRESIDENT. The president shall be the chief executive officer of the corporation and shall have general supervision over

the operations of the corporation, subject however, to the control of the board of directors. The president shall sign, execute and acknowledge, in the name of the corporation, deeds, mortgages, 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 incident to the office of president and such other duties as from time to time may be assigned by the board of directors.

9. THE SECRETARY. The secretary or an assignment secretary shall attend all meetings of the members and of the board of directors and shall record all votes of the members and the minutes of the meetings of the members and 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.

10. THE TREASURER. The treasurer or an assistant 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.

11. SALARIES. The salaries, if any, of the officers elected by the board of directors 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 officers, employees and other agents, if any, shall be fixed from time to time by the officers or to retain to appoint such employees or other agents has been delegated pursuant to Section 3. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the corporation.

## ARTICLE VIII

### INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

#### 1. SCOPE OF INDEMNIFICATION.

(a) General rule. 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 6 or otherwise:

(i) to constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. 513(b) and 1746(b) and 42 Pa.C.S. 8365(b) 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 6 to be otherwise unlawful.

(b) Partial payment. 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) Presumption. The termination of a proceeding by judgment, order, settlement or 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) Definitions: 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 another corporation, 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 not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, 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 or otherwise.

2. 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 a reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 6 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

3. 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 1 of the initiation of or participation in which is authorized pursuant to Section 2 upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined pursuant to Section 6 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.

4. 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 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 against all security holders, officers and directors and shall not be subject to voidability.

5. 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.

6. ARBITRATION.

(a) General rule. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article, except with respect to indemnification for liabilities arising under the Securities Act of 1933 that the corporation has undertaken to submit to a court for adjudication, shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the corporation are located at the time, 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 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, or if one of the parties fails or refuses to select an arbitrator or if 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.

(b) Burden of proof. The party or parties challenging the right of an indemnified representative to the benefits of this Article shall have the burden of proof.

(c) Expenses. The corporation shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred unsuccessfully prosecuting or defending such arbitration.

(d) Effect. 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 1(a)(2) in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

7. 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.

8. MANDATORY INDEMNIFICATION OF DIRECTORS, OFFICERS, ETC. To the extent that an authorized representative of the corporation has been successful on the merits or otherwise in defense of any action or proceeding referred to in 15 Pa.C.S. 1741 or 1742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith.

9. 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.

10. 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 members or disinterested directors or otherwise both as to action in an

indemnified 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.

11. RELIANCE OF 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 provided in this Article.

12. INTERPRETATION. The provisions of this Article are intended to constitute bylaws authorized by 15 Pa.C.S. 513 and 1746 and 42 Pa.C.S. 8365.

## ARTICLE IX

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### MISCELLANEOUS

1. CORPORATE SEAL. The corporation seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Pennsylvania".

2. CHECKS. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the board of directors or any person authorized by resolution of the board of directors may from time to time designate.

#### 3. CONTRACTS.

(a) General rule. Except as otherwise provided in the Nonprofit Business Corporation Law in the case of transactions that require action by the members, the board of directors may authorize any officer or agent 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.

(b) Statutory form of execution of instruments. Any note, mortgage, evidence of indebtedness, contract or other document, or any assignment or endorsement thereof, executed or entered into between the corporation and any other person, when signed by one or more officers or agents having actual or apparent authority to sign it, or by the president or vice president and secretary or assistant secretary or treasurer or assistant treasurer of the corporation, shall be held to have been properly executed for and in behalf of the corporation, without prejudice to the rights of the corporation against any persons who shall have executed the instrument in excess of his or her actual authority.

4. INTERESTED DIRECTORS OF OFFICERS; QUORUM.

(a) General rule. A contract or transaction between the corporation and one or more of its directors or officers or between the corporation and another corporation, partnership, joint venture, trust or other enterprise in which one or more of its directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, it:

(1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors 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;

(2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those members; or

(3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors.

(b) Quorum. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes a contract or transaction specified in subsection (a).

5. 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 depositaries 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 as the board of directors shall from time to time determine.

6. CORPORATE RECORDS.

(a) Required records. The corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the incorporators, members and directors giving the names and addresses of all members. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of inspection. Every member shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, books and records of account, and records of the proceedings of the incorporators, members and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a member. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the members. The demand shall be directed to the corporation at its registered office in Pennsylvania or at its principal place of business wherever situated.

8. ANNUAL REPORT. The president and treasurer shall present annually to the Board of Directors a report 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 the 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.

This report shall be filed with the minutes of the annual meeting of the Board of Directors.

9. AMENDMENT OF BYLAWS. These bylaws may be amended or repealed, or new bylaws may be adopted by vote of the members entitled to vote at any duly organized annual or special meeting of members. Any change in these bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

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