

**BY LAWS OF
PA BIOMASS ENERGY ASSOCIATION**

PREAMBLE

These Bylaws ("Bylaws") are adopted by PA Biomass Energy Association, a nonprofit corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, pursuant to Articles of Incorporation filed by PA Biomass Energy Association.

ARTICLE I

Introductory

Section 1.1 Name. The name of the corporation is PA Biomass Energy Association.

Section 1.2 Statement of Purposes. As provided in the Articles of Incorporation, the corporation is organized for the purposes set forth in Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) (the "Code"). Pursuant thereto, the corporation will develop, establish and maintain programs which: (a) promote and support the use of sustainable biomass feedstocks for heat and/or combined heat and power applications; (b) promote and provide guidance on clean, efficient biomass heat and/or combined heat and power technologies and installation; and, (c) promote and provide education on how biomass can be utilized to help meet the heat and/or combined heat and power needs of residential, commercial, industrial and institutional users in Pennsylvania in a cost-effective, environmentally responsible manner.

Section 1.3 Mission Statement. To fulfill the Statement of Purposes, the mission of the corporation shall be:

(a) To promote and support the use of sustainable biomass feedstocks for heat and/or combined heat and power (CHP) applications. Sustainable biomass feedstocks refer to biomass that can be grown, harvested or collected in a sustainable manner. Common examples of biomass feedstocks used in heat and CHP products include, but are not limited to, forestry products derived from sustainable forest practices; woody biomass streams generated from wood biomass processing facilities; clean, non-treated woody biomass from the construction industry; native grasses from the agricultural and mining industries; densified wood and native grass biomass products; agricultural byproducts, such as animal manure and litter; food processing byproducts and industrial manufacturing byproducts (typically paper and cardboard). The corporation will work to showcase how biomass feedstocks can be used in a sustainable manner to produce clean heat and power in Pennsylvania.

(b) To promote and provide guidance on clean, efficient biomass heat and/or CHP technologies and installations. The corporation will focus its efforts on residential and non-utility scale biomass heat and power technologies. For residential applications, the corporation will showcase high efficiency pellet and other fuel flexible appliances for home heating and hot water production. The corporation will work to provide guidance and support to larger scale projects that are considering converting or expanding the use of biomass for heat or CHP applications. Larger scale projects include, but are not limited to, commercial, educational, healthcare, industrial manufacturing and processing, agricultural, food processing, and greenhouse facilities.

(c) To promote and provide education on how biomass can be utilized to help meet the heat and/or CHP needs of residential, commercial, industrial and institutional users in Pennsylvania in a cost-effective, environmentally responsible manner. The corporation will: (i) work to educate and provide outreach in users that are considering the use of biomass for heat or CHP applications; (ii) work with building design and construction professionals to integrate biomass technologies into high performance building designs; (iii) work with the green building industry to showcase how biomass can be used in the residential, commercial, industrial, and institutional sectors; and (iv) work with policy makers in the development of good public energy policy within Pennsylvania. The corporation will provide educational assistance to improve the energy independence of Pennsylvania, and will work to stimulate economic development by supporting local manufacturing and biomass fuel use, and to improve the environment through the intelligent use of biomass resources.

Section 1.4 Offices. The initial principal and registered office of the corporation shall be located at 40 North Pennsylvania Avenue, Suite 510, Greensburg, Westmoreland County, Pennsylvania 15601, or at such other place or places as the Board of Directors may from time to time designate.

Section 1.5 Fiscal Year. The fiscal year of the corporation shall end on December 31 of each year, or on such other date as may be fixed from time to time by resolution of the Board of Directors.

Section 1.6 Seal. The corporate seal of the corporation shall be a circle with the name of the corporation and the state of incorporation around the border and the words "Corporate Seal" in the center.

Section 1.7 Governing Law. This corporation is governed by the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time ("NPCL").

ARTICLE II

Members

Section 2.1 Membership. The corporation shall have a membership consisting of persons or businesses, organizations and/or entities who have an interest in perpetuating the purposes and mission of the corporation and who have completed an application for membership in a form prescribed by the Board of Directors and whose membership application has been accepted by the Board of Directors.

Section 2.2 Membership Levels. There shall be two (2) levels of voting membership, namely, Founding Member and Member. Each Founding Member and each Member shall be entitled to vote on all matters on which a vote of the membership is required. In addition to voting membership, there shall be two (2) associated levels of participation (non-voting), namely, Affiliate and Sponsor. Affiliate and Sponsor status are not members and shall not have the right to vote on membership matters. Membership and associated levels of participation are:

(a) Founding Member – is reserved only for those persons, businesses, organizations and/or entities who assist in the formation and development of the corporation during the timeframe November 1, 2011 to June 1, 2012 and who otherwise qualify for membership in the corporation;

(b) Member – is for those persons, businesses, organizations and/or entities other than Founding Members who qualify for membership in the corporation;

(c) Affiliate – is for governmental entities and non-profit entities which desire to and are permitted to support the purposes and mission of the corporation; and,

(d) Sponsor – is for individual citizens, businesses, organizations and/or entities that desire to support the purposes and mission of the corporation and its activities on less than a full membership basis.

Section 2.3 Membership Application. All persons, or representatives of businesses, organizations or entities who desire membership in the corporation shall make application for membership by: (i) completing and submitting a membership application in a form as prescribed by the Board of Directors; and (ii) payment of the membership fees prescribed for membership by the Board of Directors.

Section 2.4 Membership Acceptance. The corporation, through its Board of Directors, retains the right to approve or deny membership applications. However, no application for membership shall be denied on the basis of race, color, creed, gender or national origin.

Section 2.5 Membership Fee, Membership Year. Membership fees shall be determined by the Board of Directors from time to time. The membership year shall be the calendar year or such other time as the Board of Directors may specify from time to time. Fees may be established by the Board of Directors from time to time in such amounts and shall be due at such times, as the Board of Directors may determine.

Section 2.6 Membership Resignation. Any member may resign his/her/its membership. However, membership fees paid are nonrefundable.

Section 2.7 Voting. Each Founding Member and Member of the corporation is entitled to one vote on each matter before the membership. The manner of voting on any matter may be by voice, ballot, mail or other reasonable means. Voting members may not cumulate their votes for the election of directors. Voting may be in person or by proxy. Every proxy shall be exercised in writing by the voting member or the voting member's duly authorized attorney-in-fact and filed with the secretary of the corporation. A proxy shall be revocable at will, notwithstanding any other agreement or provision in the proxy to the contrary, but the revocation shall not be effective until notice thereof has been given to the secretary of the corporation. No unrevoked proxy shall be valid after eleven (11) months from the date of its execution, unless a longer time is provided therein, but in no event shall a proxy be voted on after three (3) years after the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority exercised, written notice of such death or incapacity is given to the secretary of the corporation.

Section 2.8 Record Date. The Board of Directors may fix a time, not more than sixty (60) days prior to the date of any meeting of the voting members as a record date for the purpose of determining the voting members entitled to notice of or to vote at such meeting. In such case, only Founding Members and Members of record on the date so fixed shall be entitled to notice and/or to vote notwithstanding any increase or other change on the books of the corporation after the record date. If the Board of Directors does not fix a record date, then (a) the record date for determining voting members entitled to notice of or to vote at the meeting shall be the close of business on the date before notice is given. Or, if notice is waived, the date before the meeting is held, (b) the record date for determining voting members entitled to express consent or dissent to corporate action in writing without a meeting, when no prior Board of Directors' action is required, shall be the date on which the first written consent or dissent is expressed, and (c) for any other purpose the record date shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 2.9 Meetings of the Members. Effective January 1, 2012, meetings of voting members shall be held at least annually at such place and time as the person calling the meeting shall so indicate in the meeting notice. Unless otherwise provided in the notice, the meeting shall be held at the registered office of the corporation. The annual meeting of the voting members shall be held at such time as the Board of Directors may determine from time to time. Special meetings of the voting members shall be called by the secretary upon the instruction of the Chairman of the Board or upon the written consent of ten (10%) percent of the Founding Members and Members of record.

Section 2.10 Notice. Written notice of the date, time and place of each meeting of the voting members shall be given to all voting members of record entitled to vote at the meeting at least ten (10) days prior to the day of a meeting at which the voting members will consider a fundamental change within the meaning of Chapter 59 of the NPCL and at least five (5) days prior to the date of the meeting in any other case. In the case of a special meeting, the notice shall also specify the general nature of the business to be transacted. Such notice shall be given to the voting members personally, or by sending a copy thereof by first class or express mail, postage prepaid, courier service, charges prepaid, facsimile to the voting member's facsimile number appearing on the books of the corporation with a confirmation of delivery, or by e-mail to the voting member's e-mail address appearing on the books of the corporation with a confirmation of delivery. Alternatively, if the corporation is more than 100 voting members of record, notice may be given by any class of mail if twenty (20) days notice is given. If notice is sent by mail or courier service, it shall be deemed to have been given to the person entitled thereto when deposited with the United States Postal Service or courier service.

Section 2.11 Liability of Members. The members shall not be personally liable for the debts, liabilities or obligations of the corporation. A member shall be liable to the corporation only to the extent of any unpaid portion of the membership dues or assessments which the corporation may have lawfully imposed on the member or for any other indebtedness owed by the member to the corporation.

Section 2.12 Waiver of Notice. Whenever any written notice is required to be given, a waiver thereof in writing signed by the voting member entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice. Attendance of a voting member at a meeting shall constitute a waiver of notice of the meeting unless the voting member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.13 Quorum. The presence in person or by proxy of voting members entitled to cast at least a majority of the votes that all voting members are entitled to cast on the matters to be acted upon shall constitute a quorum. One or more voting members may participate in any meeting of the voting members by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person. The voting members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough voting members to leave less than a quorum. The acts at a duly organized meeting of the voting members at which a quorum is present shall be the acts of the voting members.

Section 2.14 Termination. The membership of any member may be terminated (a) by the secretary for failure to pay dues or (b) for cause by the vote of a majority of the Board of Directors present at a meeting of the Board of Directors at which a quorum is present. In the case of termination for cause, the affected member shall be given at least five (5) days' advance written notice of the meeting at which such matter is to be considered, which notice shall specify the cause for the proposed termination of membership. The affected member shall be permitted to make a written response to the charges and to attend the meeting and make an oral response. The decision of the Board of Directors shall be final. The foregoing procedure for hearing before the Board of Directors shall not apply to termination for failure to pay dues.

Section 2.15 Transfer of Membership. Membership in the corporation is nontransferable and nonassignable.

Section 2.16 Consents. Any action that may be taken at a meeting of the membership 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 entitled to vote thereon and is filed with the Secretary of the corporation.

ARTICLE III

Board of Directors

Section 3.1 Authority. The affairs of the corporation shall be under the general direction of a Board of Directors which shall administer, manage, preserve and protect the property of the corporation.

Section 3.2 Number and Term. The Board of Directors shall consist of a eight (8) voting directors and three (3) *ex officio* directors; one (1) of which is a voting director and two (2) of which are non-voting directors. The initial Board of Directors shall be appointed by West Penn Power Sustainable Energy Fund (“WPPSEF”). Prior to making the appointments of the initial directors, WPPSEF shall solicit (but shall not be bound by) recommendations from the PA Biomass Working Group. One-half (1/2) of the directors initially appointed by WPPSEF shall have an initial term of two (2) years. The remaining directors initially appointed by WPPSEF shall have a term of one (1) year. After completion of the terms of office by the directors initially appointed by WPPSEF, the term of office for each director shall be two (2) years.

Section 3.3 Elections. Nominations for the office of director shall be made by the Board of Directors and submitted to the members at least forty-five (45) days prior to the expiration of the term. Election to the Board of Directors shall be by vote of the membership. The members may elect director(s) from the nomination(s) submitted by the Board of Directors or it may nominate and elect any other qualified person(s) as director(s). The composition of the Board of Directors shall, to extent practicable, have a director who represents the interests of Pennsylvania based: (a) feedstock supplier(s); (b) biomass heat or combined heat and power manufacturing business(es); (c) environmental advocacy group(s); (d) a supply chain business that serves the biomass heat or combined heat and power manufacturing business; and (e) a consultant or forester who provides services to the Pennsylvania biomass heat or combined heat and power heat industry. The Board of Directors shall also have three (3) *ex-officio* directors who shall be determined as follows with voting rights or without voting rights as indicated herein: (a) a representative from WPPSEF who shall be a voting director; (b) a representative of a governmental agency responsible for biomass energy programs who shall be a non-voting director; and (c) a representative from a university that has an active biomass energy program who shall be a non-voting director.

Section 3.4 Vacancies. Vacancies occurring on the Board of Directors by death, resignation, refusal to serve, increase in the number of directors or otherwise shall be filled by the Board of Directors and each director so appointed shall serve for the unexpired portion of the term of the director being replaced, and until the director's successor is elected and qualified or until such director's earlier death, resignation or removal. In the case of a vacancy of the *ex officio* director from WPPSEF, the appointment of that director shall be made by WPPSEF.

Section 3.5 Compensation. No compensation shall be paid to any director for services as a director but, at the discretion of the Board of Directors, a director may be reimbursed for travel and actual expenses necessarily incurred in attending meetings and performing other duties on behalf of the corporation. A director may be a salaried officer of the corporation.

Section 3.6 Meetings. The Board of Directors shall meet at least annually, but may meet more frequently at such dates and times established by the Board of Directors. The annual meeting shall be in January of each year or such other time as the Board of Directors may designate from time to time by resolution. Special meetings shall be called by the Secretary upon the order of the Chairperson or at the written request of a number of directors constituting a quorum of the directors then in office and entitled

to vote. All meetings of the Board of Directors shall be held at the registered office of the corporation unless otherwise designated in the notice.

Section 3.7 Teleconference Meetings. One or more directors may participate in a meeting of the Board of Directors or any committee thereof by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other.

Section 3.8 Quorum. At all meetings of the Board of Directors, the presence of a majority of the directors in office and entitled to vote shall constitute a quorum. In addition to those directors who are actually present at a meeting, directors shall be deemed as present at such meeting if a telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time is used. The act of a majority of the directors entitled to vote at a meeting at which a quorum is present shall be the act of the Board of Directors. A majority of the directors present and entitled to vote, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of adjournment.

Section 3.9 Voting. Each director entitled to vote shall be entitled to one vote on each matter submitted to a vote of the Board of Directors.

Section 3.10 Notices. Written notice of the date, time and place of each meeting of the Board of Directors shall be given to all directors at least five (5) days in advance of the date thereof. Such notice shall set forth the date, time and place of the meeting. Such notice shall be given at the direction of the Secretary or another designated officer of the corporation and shall be given to each director, either personally or by sending a copy thereof by first class mail, postage prepaid, or courier service, charges prepaid, or by facsimile transmission to each director's facsimile number appearing on the records of the corporation; or by e-mail transmission to each director's e-mail address appearing on the record of the corporation. If the notice is sent by mail 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 courier service when deposited. If notice is sent by facsimile transmission or electronic transmission, it shall be deemed to have been given to the person entitled thereto when the facsimile transmission or electronic transmission has been confirmed. Notice of an adjourned meeting shall be deemed to have been announced at the time of adjournment.

Section 3.11 Waiver of Notice. Whenever any written notice whatsoever is required to be given under the provisions of applicable law, the Articles of Incorporation of this corporation, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, shall be deemed equivalent to the giving of such notice. Attendance of a director at a meeting shall constitute a waiver of notice of the meeting unless the director attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.12 Standard of Care and Fiduciary Duty. Each director shall stand in a fiduciary relation to this corporation and shall perform his or her duties as a director, including his or her duties as a member of any committee of the Board of Directors upon which the director may serve, in good faith, in a manner the director reasonably believes to be in the best interests of this 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, each 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:

- (a) one or more officers or employees of this corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants or other persons as to matters that the director reasonably believes to be within the professional or expert competence of such persons; and
- (c) a committee of the Board of Directors of this corporation upon which the director does not serve, 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 which would cause his or her reliance to be unwarranted.

Section 3.13 Rules and Regulations. The Board of Directors may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the corporation and may alter, amend or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the directors present and entitled to vote at a meeting of the director where a quorum is present.

Section 3.14 Removal of Directors. The Board of Directors, by a majority vote of all of the directors, may declare vacant the office of a director who is declared of unsound mind by an order of the court or is convicted of a felony or other cause. "Other cause" shall mean any action or inaction which, in the sole direction of the Board of Directors, materially and adversely affects or may affect the corporation.

Section 3.15 Consents. Any action that may be taken at a meeting of the directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and entitled to vote and shall be filed with the Secretary of the corporation.

Section 3.16 Conflict of Interest. (a) Identification. An actual or potential conflict of interest arises when any of the following circumstances exists or is threatened:

- (1) a proposed transaction or arrangement under consideration, or any ongoing business relations, involved a contracting entity with respect to which there is an interested director or officer;
- (2) an opportunity within the scope of the activities of the corporation could be exploited by a director or officer, a director or officer's family member or a contracting entity with respect to which there is an interested director or officer; or
- (3) a proposed transaction or compensation arrangement involves a disqualified person.

(b) Procedure for Determining Whether a Conflict Exists.

- (1) Disclosure Statements. Each director and officer shall complete an annual Conflict of Interest Disclosure Statement describing any interest of the director officer. It is his or her duty to make a full, frank and fair disclosure of the circumstances giving rise to an actual or potential conflict of interest. Each director and officer is also obligated to file a supplementary disclosure statement if, during the year, there is any change in circumstances that alters or makes

incomplete the information provided in the original disclosure statement. It shall be the responsibility of the Chairperson to review each of the disclosure Statements and bring any perceived conflicts of interest to the attention of the Board of Directors.

(2) Additional Disclosure. If, during the course of a meeting of the Board of Directors, a director or officer present at the meeting is aware that he or she is or may have an actual or potential conflict of interest with respect to a matter under discussion, the director or officer shall immediately disclose the material facts about his or her interest in the matter to the Board of Directors. If, during the course of a meeting, the Chairperson, any director or any officer present at the meeting believes that another director or officer has or may have an actual or potential conflict of interest with respect to a matter under discussion, such person shall immediately make such concern known to the Board of Directors.

(3) Analysis of Conflict Issue. The determination of whether there is a conflict of interest in any particular circumstances shall be made by the Board of Directors. It is the involved director or officer's duty to respond fully and frankly to any questions from the Chairperson or directors relating to the actual or potential conflict of interest. The involved director or officer shall leave the Board of Directors meeting while the question of whether a conflict exists is discussed and voted upon.

(c) Procedure after Determining the Existence of a Conflict. In the event the Board of Directors concludes that a conflict exists, the Chairperson or a majority of the disinterested directors present may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement which present the conflict. Alternatively, the Board of Directors may approve the transaction or arrangement which is the subject matter of the conflict by an affirmative vote of a majority of the disinterested directors present. In either case, the decision making body must have determined (i) that the transaction or arrangement is in the corporation's best interest and for its own benefit; (ii) that it is fair and reasonable to the corporation; and (iii) after exercising due diligence, that the corporation could not obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances. Any disqualified person shall leave the Board of Directors meeting while the substantive issue which is the subject of the conflict is discussed and shall not vote on said substantive matter.

(d) Procedure Applicable to a Compensation Committee. In the event the corporation establishes a Compensation Committee, no person who receives compensation from the corporation for services as an employee or independent contractor of the corporation shall serve as a member of the Compensation Committee.

(e) Minutes. The minutes of the Board of Directors meeting and Board of Directors committee meetings shall reflect:

- (1) the names of the persons who disclosed any interests;
- (2) the determination as to whether an actual or potential conflict of interest exists;
- (3) the names of the persons who were present for discussion and votes relating to the transaction or arrangement;

- (4) the content of the discussions, including any alternatives to the proposed transaction or arrangement and, with respect to a transaction or compensation arrangement with a disqualified person, the basis for the determination of the Board of Directors, including any comparability data;
- (5) the voting record, including any abstention from voting; and
- (6) any action to be taken.

(f) Violation of Policy. Any director, officer or disqualified person who violates the corporation's Conflict of Interest Policy, irrespective of whether he or she is doing so to protect the corporation's best interests, shall be subject to disciplinary action by the Chairperson or the Board of Directors, up to and including termination of employment, if applicable, or removal from the Board of Directors or a committee thereof.

(g) Definitions.

(i) Contracting Entity. Any entity engaged in a transaction or arrangement with the corporation.

(ii) Disqualified Person. An individual who qualified as a "disqualified person" as that term is defined in Internal Revenue Code §4958(f)(1)(1996) or any successor provision. As a general principle, disqualified persons are persons who have (or at any time during the preceding 5-year period had) substantial influence over the corporation and the family members of such individuals. Disqualified persons also include organization (corporation, partnership, trust and estates) which are controlled by persons who have or had had substantial influence over the corporation. Control is established when the influential individual owns 35% or more of the organization. By way of illustration, the following categories of persons are likely disqualified persons (i) each voting director; (ii) each officer of the corporation with primary authority to initiate executive decisions and who is responsible directly to the Board of Directors; (iii) the employees of the corporation who received from the corporation and/or its affiliates remuneration greater than \$80,000 annually, and (iv) substantial contributors to the corporation.

(iii) Family Member. A spouse, sibling (whether by whole or half blood), lineal ancestors (parents, grandparents, great-grandparents, etc.) lineal descendants (children, grandchildren, great-grandchildren, etc.) and the spouse of any sibling (whether by whole or half blood) or lineal ancestor or descendant.

(iv) Interested Director/Officer. A director or officer who, directly or indirectly, through business, investment or a family member, has:

- (a) an ownership or investment interest in any contracting entity;
- (b) a compensation arrangement with the corporation, with any contracting entity or with any individual with whom the corporation has a transaction or arrangement; or

(c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Also included is service by the director or officer or family member without compensation as a director or officer of a contracting entity. The term “compensation” includes direct and indirect remuneration and substantial gifts and favors. In the event the director or officer is not certain if a particular gift or favor is substantial, disclosure should be made. A director or officer who has an interest in any affiliate of a corporation shall be deemed to have an interest with respect to the corporation as well.

ARTICLE IV

Officers

Section 4.1 Enumeration. The officers of the corporation shall consist of a Chairperson, Vice Chairperson, Secretary and Treasurer and such other officers and assistant officers as the Board of Directors may, from time to time, designate.

Section 4.2 Term of Office. Each officer shall serve for a term of one (1) year and until the officer’s successor is duly elected and takes office.

Section 4.3 Election. All officers shall be elected by the directors from among the directors.

Section 4.4 Vacancies. Any vacancy may be filled by the Directors entitled to vote. The Chairperson may, however, fill vacancies in any office designated by the Board of Directors for the period ending upon the date when such vacancy is filled by the Board of Directors.

Section 4.5 Chairperson of the Board of Directors. The Chairperson of the Board of Directors (the “Chairperson”) shall preside at all meetings of the Board of Directors. The Chairperson shall direct the action necessary to carry out the policies adopted by the Board of Directors; shall be an ex-officio member of all standing committees, and from time to time, with the approval of the Board of Directors, appoint committees and members to the committees and shall perform such other duties as may be assigned to the office by the Board of Directors. The Chairperson shall be a person who is a Director of the corporation.

Section 4.6 Vice Chairperson of the Board of Directors. The Vice Chairperson of the Board of Directors (“Vice Chairperson”) shall assist the Chairperson in carrying out the duties of that office as directed by the Chairperson. In the absence of the Chairperson, the Vice Chairperson shall preside at meetings of the Board of Directors and shall perform such other duties as the Chairperson and The Board of Directors may from time to time designate. The Vice Chairperson shall be a person who is a director of the corporation.

Section 4.7 Secretary. The Secretary shall make or cause to be made minutes of all meetings of the Board of Directors. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board of Directors, shall affix the corporate seal at the direction of the Chairperson and, generally, will perform all duties incident to the office of secretary of a corporation and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or that may be assigned from time to time by the Board of Directors and the Chairperson. In the absence or disability of

the Secretary, the Assistant Secretary, if any, shall perform all the duties of the Secretary and when so acting shall have all of the powers of and be subject to all of the restrictions upon the Secretary. The Secretary shall be a person who is a director of the corporation. An Assistant Secretary need not be a director

Section 4.8 Treasurer. The Treasurer shall supervise the financial activities of the corporation. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) a system is in place such that all monies and other valuable effects are deposited in the name and to the credit of the corporation in such depositories as shall be designated by the Board of Directors or whenever they may require it, receive an account of the financial condition of the corporation, and (d) an annual audit of the corporation's books and records is performed by an auditor selected by the Board of Directors. In performing these functions, the Treasurer may rely on employees of the corporation or any affiliated corporation who possess special financial training and skills and whose employment responsibilities include management of the corporation's financial affairs. In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall perform all the duties of the Treasurer and when so acting shall have all of the powers of and be subject to all of the restrictions upon the Treasurer. The Treasurer shall be a person who is a director of the corporation. An Assistant Treasurer need not be a director.

Section 4.9 Other Officers. Other officers may include an Executive Director, Assistant Secretary and Assistant Treasurer. Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Board of Directors from time to time. Each assistant officer shall carry out the responsibilities and duties of the other which the assistant officer assists in the event such officer is unable to perform such responsibilities or duties, except that no assistant officer shall become a director solely by virtue of being an assistant officer.

Section 4.10 Bonds. The Board of Directors may, in its discretion, require the Treasurer and any other officer to give bond in such amount and with such surety or sureties as may be satisfactory to the Board of Directors for the faithful discharge of the duties of the office and for the restoration to the corporation, in case of the officer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind belonging to the corporation in the officer's possession or under the officer's control.

Section 4.11 Removal of Officers. Any officer elected or appointed to office may be removed by the persons authorized under these Bylaws or the corporation's Articles of Incorporation to elect or appoint such officers whenever in their judgment the best interests of the corporation will be served.

ARTICLE V

Committees

Section 5.1 Committees. The corporation may establish an Executive Committee, a Nominating Committee and such other standing and *ad hoc* committees as the Board of Directors may deem advisable in the administration and conduct of the corporation. Such committees of the Board of Directors shall meet as necessary to accomplish their goals. The Board of Directors is authorized in its discretion to approve reimbursement for travel and actual expenses necessarily incurred by members of committees in attending committee meetings and performing other official duties as such. Except as otherwise provided in these Bylaws or in the resolution creating the applicable committee, committee chairpersons and members shall be appointed annually by the Chairperson and may be reappointed to a committee for an unlimited number of terms. With the exception of the Executive Committee, persons who are not Directors are eligible to serve as committee members. Any person authorized by these Bylaws to appoint

the chairperson and/or members of any committee may appoint himself or herself as chairperson and/or member. The chairperson of each committee shall determine the date and place of all committee meetings. Each committee may adopt its own rules of procedure not inconsistent with these Bylaws.

Section 5.2 Limitation on Power of Committees. No such committee shall have any power or authority as to the following:

- (a) the filing of vacancies in the Board of Directors;
- (b) the adoption, amendment or repeal of the Bylaws;
- (c) the amendment or repeal of any resolution of the Board of Directors; or
- (d) action on matters committed by the Bylaws or a resolution of the Board of Directors to another committee of the Board of Directors.

Section 5.3 Executive Committee. When constituted, the Executive Committee shall consist of the Chairperson, Vice Chairperson, Secretary and Treasurer and one (1) additional director elected by the Board of Directors. The current Chairperson shall serve as the chairperson of the Executive Committee, but may vote only to break a tie. Subject to the limitations set forth in Section 5.2 of these Bylaws, the Executive Committee may act for the Board of Directors between meetings of the Board of Directors. The Executive Committee shall meet at such times as the Chairperson may call, or on petition of three (3) Executive Committee members. At least twenty-four (24) hours' oral or written notice shall be given for such meetings. A quorum for conducting business at a meeting of the Executive Committee shall be no fewer than three (3) voting members. The Chairperson shall present a full report of all Executive Committee decisions to the Board of Directors at the next regularly scheduled meeting of the Board of Directors.

Section 5.4 Nominating Committee. The Nominating Committee shall consist of five (5) members appointed by the Board of Directors, but shall not include any member whose term as a director will expire as of the end of the current fiscal year. The Nominating Committee shall nominate the directors as provided in Section 2.3 hereof. The Chairperson shall serve as an *ex-officio* member of the Nominating Committee, unless his or her term as a director is due to expire, in which case the Vice Chairperson shall so serve.

ARTICLE VI

Limitation of Personal Liability of Directors

Section 6.1 Limitation of Directors' Personal Liability. A director of the corporation shall not be personally liable for monetary damages for any action taken unless the director has breached or failed to perform the duties of his or her office under Chapter 57, Subchapter B of the NPCL as in effect at the time of the alleged action by such director and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Such limitation on liability does not apply to the responsibility or liability of a director pursuant to any criminal statute or for payment taxes pursuant to any federal, state or local law.

Section 6.2 Preservation of Rights. Any repeal or modification of this Article by the corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any director or former director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a director of the corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VII

Indemnification

Section 7.1 Mandatory Indemnification of Directors and Officers. The corporation shall indemnify, to the fullest extent now or hereafter permitted by law (including but not limited to the indemnification provided by Chapter 57, Subchapter D of the NPCL), each director and/or officer (including each former director or officer) of the corporation who was or is threatened to be made a party to or a witness in any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the director or officer is or was an authorized representative of the corporation, or is or was serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with such action, suit or proceeding if such director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 7.2 Mandatory Advancement of Expenses to Directors and Officers. The corporation shall pay expenses (including attorneys' fees) incurred by a director or officer of the corporation referred to in Section 7.1 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 7.1 hereof in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such director or officer shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such director or officer to repay all amounts advanced if it shall ultimately be determined that the director or officer is not entitled to be indemnified by the corporation as provided in Section 7.4 hereof

Section 7.3 Permissive Indemnification and Advancement of Expenses. The corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed; action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an authorized representative of the corporation or is or was serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 7.3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as provided in Section 7.4 hereof.

Section 7.4 Scope of Indemnification. Indemnification under this article shall not be made by the corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the NPCL or any successor statute as in effect at the time of such alleged action or failure to take action.

Section 7.5 Miscellaneous. Each director and officer of the corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of disinterested directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Indemnification and advancement of expenses under this Article shall be provided whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the corporation. Any repeal or modification of this Article by the Board of Directors of the corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any person may be entitled under this Article.

Section 7.6 Definition of Authorized Representative. For the purposes of this Article, the term, "authorized representative" shall mean a director, officer or employee of the corporation or of any corporation controlled by the corporation, or a trustee, custodian, administrator, committee-person or fiduciary of any employee benefit plan established and maintained by the corporation or by any corporation controlled by the corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the request of the corporation. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the corporation, and shall not include agents of the corporation unless indemnification thereof is expressly approved by the Board of Directors.

Section 7.7 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under this Article VII or the NPCL shall be made only following a determination that the indemnification is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct. Such determination shall be made:

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

ARTICLE VIII

Restrictions Regarding the Operations of the Corporation; Administration of Funds

Section 8.1 No Private Beneficiaries; Political Activities Limitation. In keeping with the Statement of Purposes of the corporation as set forth in its Articles of Incorporation, no part of the earnings or assets of the corporation shall inure to the benefit of any private individual. Except to the extent otherwise permitted by the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) for non-profit corporations formed for the purposes set forth

in Section 503(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), no substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation; and the corporation shall not participate in or intervene in (including the publishing or distribution statements) of any political campaign on behalf of any or in opposition to any candidate for public office. Notwithstanding any other provision of the Articles of Incorporation or the Bylaws, the corporation shall not carry on activities not permitted to be carried on by a non-profit corporation exempt from federal income taxes by reason of the corporation being formed for the purposes set forth in Section 501(c)(6) of the Internal Revenue Code of 1986 (with a corresponding provision of any future United States Internal Revenue Law).

Section 8.2 No Violation of Purposes. In no event and under no circumstances shall the Board of Directors make any distribution or expenditure, engage in any activity, hold any assets, or enter into any transaction whatsoever the effect of which under applicable federal laws then in force will cause the corporation to lose its status as an organization exempt from federal income taxation by reason it being a non-profit corporation formed for the purposes set forth in Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

Section 8.3 Tax Records. The corporation shall maintain at its principal office a copy of its application for exemption and all tax returns filed with the Internal Revenue Service. To the extent required by the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or any law of the Commonwealth of Pennsylvania, such documents shall be made available during regular business hours for inspection by any person requesting to see them; provided, however, that such person is within the ambit of authority granted by such law or laws.

Section 8.4 Annual Report. The Treasurer shall submit annually to the Board of Directors a statement containing those details required to be included under the provisions of the NPCL, as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws.

Section 8.5 Books and Records. The corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of its Board of Directors and committees. The corporation will keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the corporation. Every person for whom access is required under applicable law, shall, upon written demand under oath stating the purposes thereof have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the books and records of account and records of the proceedings of the directors, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person in relation to the corporation. Where an attorney or other agent is the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or another writing authorizing the attorney or other agent to act on behalf of the person authorized under applicable law to receive such information.

Section 8.6 Definition of Code. Unless the context requires otherwise, terms used in this Article VIII of these Bylaws shall have the meanings ascribed to them in the Internal Revenue Code of 1986. References to the Internal Revenue Code of 1986 in this Article shall be deemed to extend to corresponding provisions of any subsequent United States tax laws. The provisions of this Article shall apply notwithstanding other provisions of these Bylaws, if any, that are inconsistent.

ARTICLE IX

Executive Director

Section 9.1 Qualifications and Designation. The Board of Directors may designate an Executive Director (“Executive Director”) for the corporation. The Executive Director may, but need not be, an officer of the corporation.

Section 9.2 Duties. Responsibilities of the Executive Director will include managing the day to day operations, activities and programs of the corporation. The responsibilities may include, but are not limited to:

(a) Development of an annual program plan of operations, activities and operating budget for the program plan. The Executive Director shall draft an annual program plan to identify the priorities and specific initiatives and programs that the corporation will conduct for the following calendar year; subject nevertheless, to approval by the Board of Directors.

(b) After approval of the annual program plan and operating budget by the Board of Directors, the Executive Director shall implement the corporation’s programs, operations and activities consistent with the authority provided by resolution(s) of the Board of Directors.

(c) The Executive Director shall prepare an annual report to the Board of Directors setting forth program accomplishments/failures for the preceding year.

Section 9.3 Compensation. The compensation payable to the Executive Director for his/her services shall be fixed from time to time by the Board of Directors.

ARTICLE X

Bylaw Amendments

Section 10.1 Authority. Unless other approval is required by the NPCL, these Bylaws may be altered, amended and/or repealed from time to time by the affirmative vote of a majority of the directors entitled to vote.

Section 10.2 Notice. Notice of any proposed amendment, repeal or new bylaws, and copies or a summary thereof, shall be included with any notice of the meeting for which the proposed amendment, repeal or new bylaws will be considered. Written notice of any meeting at which a proposed amendment, repeal or new bylaws will be considered, together with copies or a summary thereof, must be given to each of the directors.

ARTICLE XI

Miscellaneous

Section 11.1 Headings. In interpreting these bylaws, the headings of each of the articles and sections shall not be controlling.

Section 11.2 Bond. If required by the Board of Directors, any person may be required to give bond for the faithful discharge of his or her duties in such sums and with such surety as the Board of Directors may determine.

Section 11.3 Contracts. Except as otherwise provided in these bylaws, 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.

Section 11.4 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, depositories, or other financial institutions as the Board of Directors may approve or designate from time to time and any such funds may be withdrawn only upon checks signed by one or more officers, employees or representatives, as the Board of Directors may from time to time determine.