

# **B Y L A W S**

## **COMMUNITY ACTION, INC.**

(name change effective January 1, 1999)

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ARTICLE I  
NAME

The name of the Corporation shall be Community Action, Inc.

## ARTICLE II PURPOSE

### Section I.

The Corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, 1986, or the corresponding provision of any future federal law. Such purposes include, but are not limited to, administrating activities as provided by the Community Services Block Grant or any successor legislation, and providing and coordinating activities which alleviate poverty, promote family self-sufficiency, and advance community prosperity.

### Section II.

The Corporation will develop and implement activities designed to help low-income and disadvantaged individuals and families in the community become economically independent.

### Section III.

The Corporation will examine and promote methods by which organizations and institutions can address the problems of the rural and disadvantaged, including action and advocacy in the areas of poverty, legal rights, health, housing, discrimination, education, employment, and community and economic development.

### Section IV.

The Corporation shall directly involve itself in efforts to increase the availability of safe, affordable housing for low-income and moderate-income individuals and families.

### Section V.

The Corporation shall advocate community involvement in activities that address the causes of poverty and coordinate with other organizations serving low-income individuals and families through the use of advisory groups, participation on boards, surveys, needs assessments, and volunteers.

### Section VI.

The Corporation will engage in development and fundraising activities to support these purposes and promote and sustain community economic prosperity.

### Section VII.

The Corporation will engage in activities that promote and sustain individual and family self-sufficiency.

ARTICLE III  
BOARD OF DIRECTORS COMPOSITION AND AUTHORITY

Section I.

There shall be a Board of Directors consisting of eighteen (18) directors that shall have the general authority to conduct the affairs of the Corporation. This authority shall not be subject to concurrence, veto, or modification by another body or authority unless pursuant to a delegation of powers by the Board of Directors itself. This authority includes, but is not limited to, the following powers:

- a. To employ and to dismiss an Executive Director of the Corporation, who shall be an ex-officio director of the Board of Directors; but, shall have no voting power.
  1. The Board may choose to employ the Executive Director in an employee status, as defined in the Corporation's Employee Handbook, and/or may exercise the option of hiring the Executive Director by means of an employment contract.
  2. The Board may impose disciplinary actions and/or discharge the Executive Director for reasons of dismissal as outlined in the Corporation's Employee Handbook. However, these reasons of dismissal are not intended to be all inclusive of the proper standards of conduct or obligations of the Executive Director. The Board may, when it deems it appropriate, set forth, in writing, additional written rules to govern the Executive Director's conduct and performance.
- b. To approve new proposals.
- c. To approve Corporate annual budgets.
- d. To receive and accept annual audit(s).
- e. To approve policies necessary to accomplish Corporate business.
- f. To designate special committees and define their responsibilities.
- g. To acquire real and personal property by purchase, lease, gift, or otherwise; and to the extent it may be convenient and necessary, to hold such property, to mortgage property or any part thereof; and it shall have the right to dispose of, by sale or otherwise.
- h. To assess the needs of low-income individuals and families and enable the assessment to influence the character of the Corporation and its activities.
- i. To do all as is required by these Bylaws and the Non-Profit Corporation Laws of the Commonwealth of Pennsylvania, and shall have the maximum power and authority now or hereafter provided or permitted under the laws of the Commonwealth of Pennsylvania to Directors of Pennsylvania non-profit corporations acting as a Board.

- j. To approve persons to serve as members of Advisory Councils and to select Board Directors to serve on Advisory Councils.

## Section II.

The membership of the Board shall be open to anyone the Board deems capable of representing the residents of Clarion and Jefferson Counties and who indicates a desire and willingness to serve in accordance with Article III, Section II. Representatives of Low Income Individuals and Families must reside in the service area of the Corporation as specified by Section 676B(a)(2)(B) of the Community Services Block Grant. The Board retains final decision on the selection of all board directors.

The Board of Directors shall democratically elect members by majority vote from nominees selected to represent three separate and distinct sectors, to wit:

### REPRESENTATIVES OF LOW INCOME INDIVIDUALS AND FAMILIES\*

A minimum of one-third of the seats on the Board shall consist of representatives of low income individuals and families. These representatives need not themselves be low income but shall be selected in a manner that ensures they speak on behalf of low-income residents of Clarion and Jefferson Counties. One-half of this membership shall represent Clarion County and one-half shall represent Jefferson County. The Board will deliberately and affirmatively solicit for Directors from other organizations and businesses who are actively involved in the empowering of people who are low income or who are at high risk of being low income

Representatives of low income individuals and families may be democratically selected by any organization or uncharted group whose primary or sole purpose is to enhance the quality of life for low-income individuals and families. A written description of the organization's or uncharted group's nominating procedures should be submitted to the Board of Directors. In addition, the Board may require other information be submitted in writing, such as the organization's history, purpose, projects, and the scope and accessibility of the process for selecting a nominee and voting procedures. The Corporation may choose to monitor the selection process via random sampling, voting verification, and on-site observations. The organization shall notify the Board in writing of their selected nominee.

Organizations and businesses who are actively involved in the empowering of people who are low income or who are at high risk of low income may be provided with notices of vacancies on the Board and will be encouraged to provide this information to their consumers. The Nominating Committee may direct notices of vacancies be publicly posted in organizations that share the goals of the Corporation. In addition, a notice may be placed in the major newspapers of the county where the Board seat is vacant describing the application requirements and process. An individual may submit their name for nomination to the Committee. The individual must obtain written references from at least ten (10) low-income residents of their county and three (3) letters of reference from officials of organizations and groups who can attest and provide first-hand knowledge of the candidate's ability to represent the low income. The Nominating

Committee is responsible for determining if the individual meets the vacancy criteria and for submitting the self-nominated names to the Board with a recommendation.

\*Low Income is defined as annual family or individual income at or below the Poverty Income Guidelines issued by the U. S. Department of Health and Human Services or successor federal organization.

### REPRESENTATIVES OF MAJOR GROUPS AND INTERESTS IN THE COMMUNITY

These groups and interests shall be selected by the Board of Directors based on their interest and abilities to address the needs of the low income population. Selection of Board representatives shall be drawn from existing private organizations; one-half of which shall represent the residents of Clarion County and one-half of which shall represent the residents of Jefferson County. Representation of the private sector is open to educational, religious, private social service organizations, businesses, industry, unions, private health agencies, and any other private non-profit or community based organizations that support and contribute to the purposes and mission of the Corporation. Representatives of private groups and interests shall be chosen by the groups and interests they represent to serve on the Board. Each representative shall be empowered to act on behalf of the organization and interests on all Board matters. In the event a representative is removed or withdraws from the Board, the Board may allow that organization to select another representative to complete the term of service.

### ELECTED PUBLIC OFFICIALS

One-third of the seats on the Board of Directors shall consist of elected public officials currently holding office; one-half of which shall represent the residents of Clarion County and one-half shall represent the residents of Jefferson County. This membership shall represent the highest local elected office from each county and two other elected officials of each county who have either general governmental responsibilities or responsibilities which require them to address low-income related issues. Public officials may appoint a representative but cannot alternate the appointed representative during their Board term. If the number of elected officials willing to serve does not comprise one-third of the allotted seats, the remaining seats shall be left vacant.

#### Section III.

The Nominating Committee shall actively seek nominations for vacancies from Board Directors, from organizations and businesses who are actively involved in the empowering of people who are low-income or who are at high risk of being low-income, and from the community at large. A Board nominee selected to fill a vacancy shall serve the term of the vacancy and shall be eligible for additional terms.

#### Section IV.

The Corporation shall strive to develop and maintain a Board membership which represents the diversity of the area's population. Nominees will be considered without regard to race, color, religious creed, disability, ancestry, national origin, age, sex,

sexual orientation, political beliefs, familial status, military service, genetic information, citizenship, or retaliation against these characteristics. Groups or interests which believe themselves to be inadequately represented on the Corporation's Board of Directors may petition in writing for representation on the Board. The Board will address the petition at the next appropriate committee and Board meetings.

ARTICLE IV  
TERMS AND CONDITIONS OF BOARD MEMBERSHIP

Section I.

Directors of the Board shall be elected for a three year term and shall be eligible for re-election for additional successive terms. The term of public elected officials may be the term of their elected public office.

Section II.

Board Directors are expected to attend scheduled meetings. The Board Secretary will advise the Board of any Director missing four consecutive meetings for the Board's consideration.

Section III.

Compensation to low-income directors for expenses incurred for participation in Board and committee meetings is permitted. Directors designated by the President to attend Corporate activities may also be reimbursed for their expenses. However, regular compensation to all directors for their service is prohibited.

Section IV.

A person shall not be eligible for election as a Board Director if they are employed by the Corporation, nor will an application for employment be accepted from a Board Director while serving on the Board or for a period of twelve months thereafter.

Section V.

Any Board Director may be removed from the Board for conduct deemed detrimental to the interests of the Corporation by a motion approved by a simple majority of the current Board Directors. Voting shall be at any regular or special meeting where action has been identified prior to the actual meeting. The Board Director who is subject to removal shall be entitled to at least a fifteen day written notice, by certified mail, a vote on removal is pending. The Director shall be entitled to appear before and be heard at such meeting prior to the vote.

Section VI.

The Corporation is prohibited from engaging in political activity, including but not limited to endorsement of candidates, political fundraising, or other partisan activity. Directors of the Board are not bound by this restriction and may participate in political activities, but only insofar as they may not suggest or imply endorsement or preference by the Corporation or any of its activities.

## Section VII.

Directors shall perform their board or committee duties using diligence and in a good faith manner not knowingly permitting the Corporation to undertake any action that is beyond its powers as defined by statutes, Corporate Charter, Bylaws, and not engage in personal activities to cause harm or take advantage of the Corporation.

ARTICLE V  
MEETINGS OF THE BOARD OF DIRECTORS

Section I.

The Board shall hold a minimum of four meetings each year. To the extent possible, one meeting will be held each quarter to be called at the discretion of the Board President or at the written or verbal request of the majority of the current Board membership. The Annual meeting will be designated in the notice of the meeting. Special meetings of the Board of Directors may be called by the President at such times as the President shall deem necessary. Minutes will be filed for all meetings.

Section II.

Written, electronic, or personal notices of every meeting of the Board of Directors shall be given at least five (5) days in advance. Notice of meetings will include an agenda and may include minutes of the previous board/committee meetings. All Board meetings shall be open to the public and notice provided to local media at least 72 hours in advance.

One or more persons may participate in a meeting of the Board or a committee of the board by means of conference telephone or similar communication equipment of which all persons participating in the meeting can hear each other. This practice is to be used on a limited basis. Participating in a meeting pursuant to this section shall constitute presence in person at such meeting.

Any action which may be taken at a meeting of the Directors may be taken without a meeting, if the written consent or consents (including fax, e-mail, or other forms of electronic communications) setting forth the action so taken shall be approved by at least a majority of all current Directors. Supporting documents will be presented at the next Board meeting.

Section III.

A quorum shall consist of fifty-one (51) percent of the non-vacant seats of the Board. Each Director is entitled to one vote. Motions, resolutions, and actions taken by the Board must be approved by majority vote.

Section IV.

The President of the Board or the Chairperson of a duly appointed committee shall have the authority to call an Executive Session at any regular, committee, or special meeting. However any decisions made in Executive Session shall be finalized during public meetings.

Section V.

At every meeting of the Board, the President, if there be one, or in the case of a

vacancy in the office or absence of the President of the Board, one of the following officers present in the order stated shall preside: the Vice President of the Board, the Secretary/Treasurer of the Board, the Assistant Secretary, or a Chairperson chosen by a majority of the Board Directors present. In the absence of the Secretary or Assistant Secretary, any person appointed by the President of the meeting shall act as Secretary.

## ARTICLE VI OFFICERS

### Section I.

The officers of the Corporation's Board of Directors shall be the President, Vice President, Secretary/Treasurer, and Assistant Secretary. All officers shall be nominated from current Board Directors by the Nominating Committee or from the floor according to Robert's Rules of Order.

### Section II.

Board Directors shall not hold more than two officer positions at any one time.

### Section III.

All officers shall be elected by the Board of Directors at a regularly scheduled meeting. Newly elected officers will assume their duties upon the expiration of the current officer's term. An Officer will remain in office until a successor to the office has been selected and qualified.

### Section IV.

Duties of the officers shall be as follows:

- a. The President, who shall also be the Board Chairperson, shall preside at all meetings, appoint all committee members, work closely with Corporate Management, and take primary responsibility for the supervision of the Executive Director and completion of the Executive Director's annual performance appraisal.
- b. The Vice President, who shall also be the Board Vice Chairperson, shall substitute for the President during the President's absences or incapacity and fulfill such other duties as the Board and/or the President may assign.
- c. The Secretary/Treasurer shall execute reports and documents as required, and ensure minutes of the Corporation are properly maintained and filed. The Secretary/Treasurer or designee will ensure up-to-date attendance records, record votes on all motions before the Board, and transcribe the minutes of the Board meetings. These minutes shall be submitted to the Executive Director to be distributed to the Board Directors with the notice of the next Board meeting. The Secretary/ Treasurer shall perform all duties incident to the Secretary/Treasurer of a non-profit corporation in accordance with the Bylaws and such specific duties or obligations as may be directed by the Board.
- d. The Assistant Secretary is authorized to perform the Secretary's duties in the absence or unavailability of the Secretary/Treasurer.

## Section V.

Only Board Directors who first complete two (2) consecutive years of Board service will be eligible to fill Board officer positions. The term of office for all officers shall be three (3) years. Officers shall be eligible for re-election for additional successive terms. The Board President will make appointments to fill unexpired terms that may become vacant.

## ARTICLE VII COMMITTEES

### Section I.

The Corporation will have committees duly composed so they reflect to the extent possible the composition of the Board as defined in Article III, Section II. All committees are advisory and must submit their recommendations to the Board for approval, except as the Bylaws may permit the Executive Committee to act on behalf of the Board between Board meetings. The Board President may designate Directors to any committee or may replace an absent or disqualified Director of any committee.

a. The standing committees are:

1. The Executive Committee will be composed of the Officers of the Corporation and a minimum of three (3) Board Directors appointed by the Board President. The President of the Board will serve as the Chairperson of the Committee. The Executive Committee may act for and in place of the Board of Directors on all matters of an emergency nature and other matters which have been specifically delegated by the Board, except those specifically reserved to the Board by these Bylaws or the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania or any successor legislation. In the event the Committee takes action, the same will be reported at the next Board meeting.
2. The Nominating Committee will be composed of a minimum of six (6) Board Directors appointed by the Board President. Committee responsibilities include recommending candidates for the Board of Directors, Board Officers, and advisory council members.
3. The Planning Committee will be composed of a minimum of six (6) Board Directors appointed by the Board President. Committee responsibilities include strategic planning, reporting to the Board an assessment of Corporate and community needs, the achievement of Corporate goals, and the effectiveness of Corporate policies and systems.
4. The Finance Committee will be composed of a minimum of three (3) Board Directors appointed by the Board President. The Committee's primary responsibility is to focus on various financial oversight areas, including internal control systems, evaluating accounting and financial reports, managing the audit process, and overseeing adherence to ethical standards.

- b. The establishment of any committee of the Board and the delegation thereto of power and authority shall not alone relieve any Director of their fiduciary duty to the Corporation.
- c. The Board President may delegate to any committee the power to elect subordinate officers of that committee and to assign authority and duties to subordinate officers and committees.

- d. The Board may add to the scope of a Committee's authority, but not subtract from its basic responsibilities.
- e. Committees will convene with the approval of the Board President and at the direction of the Committee Chairperson. The Executive Director, with the approval of the Board President, shall have the authority to convene a Board Committee.
- f. Each committee shall report such proceedings periodically to the Board.
- g. A quorum for the purpose of holding and acting at any meeting of a committee shall be a simple majority of the members thereof.

ARTICLE VIII  
PARLIAMENTARY AUTHORITY

Roberts Rules of Order, revised, shall govern the proceedings of Board and committee meetings, except in such cases as covered by these Bylaws.

## ARTICLE IX AMENDMENTS

These Bylaws may be amended by a two-thirds vote of the non-vacant seats of the Board of Directors at any regular or special meeting provided written notice containing the proposed amendment is mailed five (5) days in advance to all current Board Directors.

ARTICLE X  
FINANCIAL AND PROGRAM MANAGEMENT

Section I.

The fiscal year of the Corporation shall begin on the first day of July in each year.

Section II.

There shall be an annual audit of all funds received by the Corporation as required by applicable Federal and State regulations or directives, or as directed by the Board or a duly charged Board committee. Audits shall be conducted within the time requirements specified by contractual agreements and/or Board/Committee directive. A full report on all audits will be made to the Board of Directors.

Section III.

The Executive Director shall have the authority, unless otherwise restricted by the Board of Directors, to execute in the name of the Corporation any and all documents to effectuate the purpose of the Corporation and directives of the Board of Directors, including but not limited to contracts, agreements, leases, certifications, attestments, guarantees, etc. The Executive Director shall also have such powers and perform such other functions as may from time to time be vested in such person by the Board of Directors.

Section IV.

The Executive Director shall have the authority to make day-to-day purchases and to acquire assets and supplies that do not exceed a unit purchase value of ten thousand dollars (\$10,000). The Executive Director shall not have the authority to execute commercial paper, promissory notes, or to otherwise incur indebtedness without the direction and approval of the Board of Directors.

Section V.

The depository banking institution(s) will be chosen and/or reaffirmed and applicable banking resolution(s) made and/or reaffirmed during the annual meeting. All monies of the Corporation shall be deposited in its name in the banking institution designated by the Board of Directors.

Section VI.

All obligations of the Corporation shall be paid by check bearing any two of the following signatures: President; Vice-President; Secretary/Treasurer; Assistant Secretary; Executive Director; or his/her designee as approved by the Board. A signature stamp is authorized for a designated Board signer. However all checks must bear at least one original signature.

## Section VII.

The Corporation shall maintain an independent accounting of its funds.

## Section VIII.

The Corporation shall require the bonding of officers and hires with surety as the Corporation may determine is necessary. The expense of bonding is to be paid by the Corporation.

## Section IX.

The Board of Directors have the authority to direct the Executive Director to prepare and maintain fiscal and program policies which assure Corporate activities are being conducted in a cost effective manner consistent with the purposes of the Corporation, and Corporate funds are being managed and expended consistent with all applicable contractual requirements and in accordance with generally accepted accounting principles. These policies will be adopted by the Board of Directors and will be reviewed periodically by Board Committees, Corporate Management, grantors, consultants, and auditors. The Board of Directors shall have the authority to direct the Executive Director to report to the Board of Directors and/or to the appropriate Board committee(s) the findings of any and/or all evaluations, audits, monitorings, etc., which test the effectiveness and/or efficiency of these policies and systems and/or delineate any exceptional conditions.

## Section X.

In compliance with the Internal Revenue Code Section 501(c)(3) and the Commonwealth of Pennsylvania exemption from taxation statutes, upon a dissolution and liquidation, including the disposal of properties and monies held by the Corporation, the Corporation is expressly prohibited from such disposal or distribution for private inurement to any person and such disposal of any remaining properties and monies shall be to institutions of purely public charity or other entities allowable by the Internal Revenue Code Section 501(c)(3).

ARTICLE XI  
NON-DISCRIMINATION

Section I.

All activities provided, engaged in, or supported by the Corporation shall be administered so no person shall, on the grounds of race, color, religious creed, disability, ancestry, national origin, age, sex, sexual orientation, political beliefs, familial status, military service, genetic information, citizenship, or retaliation against these characteristics be excluded from participation in such activities, be denied the benefits of such activities, or be otherwise subjected to discrimination.

Section II.

The Board of Directors and all committees of this Corporation shall be open to representation from all segments of the public as defined in Article III.

Section III.

There shall be no discrimination with regard to hiring, assignment, promotion, or other conditions of employment as stated in the Corporation's Employee Handbook and Equal Employment Opportunity / Affirmative Action Policy.

## ARTICLE XII CONFIDENTIALITY

### Section I.

The Executive Director shall have the authority to prepare and maintain written confidentiality policies and procedures for the Corporation, Board Directors, consumers, hires, and volunteers which adhere to the privacy laws, regulations, and guidelines promulgated to preserve and protect the personal privacy of consumer and hire files. At a minimum these policies and procedures will assure:

- a. Hire and consumer files are appropriately safeguarded.
- b. Access to hire and consumer files is restricted only to those individuals who have been authorized by the Executive Director as having an authentic need for such information.
- c. Hire and consumer information is only disclosed to external organizations and individuals when a written release detailing the specific information authorized to be released has been provided to the Corporation by the hire and consumer.
- d. Exceptions for the release of hire and consumer information which do not require the hire's and consumer's written consent are explicitly detailed.
- e. Hires and consumers have the right to review and to obtain photocopies of files pertaining to them, submit data for inclusion in such files, and request the correction or removal of inaccurate, irrelevant, outdated, or incomplete information from such files.

ARTICLE XIII  
LIMITATION OF PERSONAL LIABILITY OF DIRECTORS;  
INDEMNIFICATION OF DIRECTORS, OFFICERS, AND  
OTHER AUTHORIZED REPRESENTATIVES

Section I. - Limitation of Personal Liability of Directors.

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

- a. The Director has breached or failed to perform the duties of his or her office as defined in Section II below; and
- b. The breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

The provisions of this Section shall not apply to (a) the responsibility or liability of a Director pursuant to any criminal statute or (b) the liability of a Director for the payment of taxes pursuant to local, state, or federal law.

Section II. - Standards of Care and Justifiable Reliance.

- a. A Director of the Corporation shall stand in a fiduciary relationship to the 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 upon which he or she may serve, in good faith, in a manner he or she 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 hires of the Corporation who the Director reasonably believes to be reliable and competent in the matters presented;
  2. Counsel, public accountants, or other persons as to matters that the Director reasonably believes to be within the professional or expert competence of such person;
  3. A committee of the Board upon which he or she 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 he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

- b. In discharging the duties of their respective positions, the Board, committees of the

Board, and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon hires, upon persons with whom the Corporation has business and other relations, upon communities which the offices or other establishments of or related to the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of Section A of Section II.

- c. 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.

### Section III. - Indemnification in Third Party Proceedings.

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

### Section IV. - Indemnification in Derivative Actions.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and except that no indemnification shall be made in respect of any claims, issues, or matters as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless and only to the extent that the Court of Common Pleas or court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case,

such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas or such other court shall deem proper.

#### Section V. - Mandatory Indemnification.

Notwithstanding any contrary provision of the Articles of Incorporation or these Bylaws, to the extent that a representative of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in either Section III or Section IV above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

#### Section VI. - Determination of Entitlement to Indemnification.

Unless ordered by a court, any indemnification under Section III or Section IV above shall be made by the Corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

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

#### Section VII. - Advancing Expenses.

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

#### Section VIII. - Indemnification of Former Representatives.

Each such indemnity may continue as to a person who has ceased to be a representative of the Corporation and may inure to the benefit of the heirs, executors, and administrators of such person.

#### Section IX. - Insurance.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, hire, or agent of the Corporation or is or was serving at the request of the Corporation as a Director, Officer, hire, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred by such person in any capacity or

arising out of such person's status as such, whether or not the Corporation would otherwise have the power to indemnify such person against such liability.

Section X. - Reliance on Provisions.

Each person who shall act as an authorized representative of the Corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE XIV  
SEAL

The Corporation shall have a Corporate Seal that shall have inscribed there on,  
"Community Action, Inc., 1965, Corporate Seal, Pennsylvania".

ARTICLE XV  
DISSOLUTION OF CORPORATION

All actions relating to the dissolution of the Corporation, including the disposal of all property and monies held by the Corporation, shall be done in accordance with the Corporation's Articles of Incorporation and amendments thereto and pursuant to the statutes of the Commonwealth of Pennsylvania governing non-profit organizations and any applicable Federal statutes including Internal Revenue Code Section 501(c)(3).

The Corporation is expressly prohibited from using any surplus funds for private inurement to any person in the event of a sale or dissolution of the Corporation.

## ARTICLE XVI CONFLICT OF INTEREST

### Section I.

A conflict of interest transaction is a transaction with the Corporation in which a Director of the Corporation has a direct or indirect interest. Directors are obligated to disclose any direct or indirect conflicts.

### Section II.

A conflict of interest transaction is not voidable by the Corporation solely because of the Director's interest in the transaction if any one (1) of the following is true:

- a. The Director's interest was disclosed or known to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee authorized, approved, or ratified the transaction.
- b. The transaction was fair to the Corporation.

### Section III.

For purposes of Article XVI, a Director of the Corporation has an indirect interest in a transaction if:

- a. another entity in which the Director has a material financial interest or in which the Director is a general partner is a party to the transaction; or
- b. another entity of which the Director is a director, officer, or trustee is a party to the transaction and the transaction is, or is required to be, considered by the Board of Directors of the Corporation.

### Section IV.

For purposes of Article XVI, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Board of Directors (or a committee) who have no direct or indirect interest in the transaction. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum shall be deemed present for the purpose of taking action under this Article. No Director shall vote on any matter in which the Director has a conflict.

### Section V.

Directors shall annually sign a statement affirming they have received, read, understand, and agreed to comply with the Conflict of Interest Article, and will disclose financial interests and family relationships that could give rise to conflicts of interest.