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BYLAWS OF

THE ARC OF PENNSYLVANIA

A PENNSYLVANIA NON-PROFIT ORGANIZATION

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BYLAWS OF
THE ARC OF PENNSYLVANIA
A PENNSYLVANIA NONPROFIT CORPORATION

ARTICLE I

Introductory

Section 1.1 Name. The name of the Corporation is The Arc of Pennsylvania (hereinafter referred to as the “Corporation”).

Section 1.2 Statement of Purposes. As provided in its Articles of Incorporation, the Corporation is organized exclusively for charitable, scientific and educational purposes as defined and limited by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law.) In furtherance thereof, the Corporation is operated to:

- (a) promote active citizenship and inclusion in every community of all children and adults with intellectual and developmental disabilities;
- (b) promote and protect the civil and human rights of people with intellectual and developmental disabilities;
- (c) advise and assist people with intellectual and developmental disabilities and their families;
- (d) promote inclusion and quality in generic and specialized services for people with intellectual and developmental disabilities;
- (e) help the general public better understand the contributions that people with intellectual and developmental disabilities make to their families and local communities;
- (f) work cooperatively with other agencies, Local Chapters of the Corporation and The Arc of the United States toward full opportunities for people with intellectual and developmental disabilities;
- (g) promote unity among The Arc members, volunteers and staff throughout Pennsylvania toward the accomplishment of corporate system goals and objectives;
- (h) monitor services to assure that people with intellectual and developmental disabilities and their families have available to them high quality programs which are appropriate to their needs;

- (i) aid and encourage the formation of local chapters of the Corporation and groups to work in the field, to advise and aid individuals and families in the solution of their problems and to coordinate the efforts and activities of these groups;
- (j) receive and wisely expend funds for the accomplishment of corporate purposes.

Section 1.3 Offices. The principal and registered office of the Corporation shall be located at 101 South Second Street, Suite 8, Harrisburg, PA, 17101, or at such other place as the Board of Directors may designate from time to time.

Section 1.4 Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each year, or on such other date as may be fixed from time to time by resolution of the Board of Directors.

Section 1.5 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 1.6 Governing Law. This Corporation is governed by the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time ("NPCL").

Section 1.7 Parliamentary Procedures. Meetings of the Corporation shall be run using "Modern Rules of Order" 3rd Edition By Donald A. Tortorice.

Section 1.8 Affiliation. The Corporation shall be a state member unit of The Arc of the United States and shall conform to the constitution, bylaws and rules promulgated by The Arc of the United States for its state member units.

Section 1.9 Local Chapters. The Corporation shall have local chapters, which are separate and distinct non-profit corporations within the Commonwealth of Pennsylvania that are affiliated with the Corporation according to an affiliation agreement developed by the Corporation. Local chapters serve and represent a single county or multiple contiguous counties pursuant to the approval of the Corporation. A Local Chapter must have, as of April 30 of each year, the minimum number of individual members then required by The Arc of the United States. No county in the Commonwealth of Pennsylvania may have more than one Local Chapter.

ARTICLE II

Members

Section 2.1 Classes. The Corporation shall have two classes of members: voting and non-voting. Subject to Section 2.6 of these Bylaws, voting members are Local Chapters. Non-voting members are individual members. Individual members are (a) all individual members of each Local Chapter, (b) individuals residing in an area not served by a

Local Chapter who apply for and are granted membership, or (c) individuals residing in an area served by a Local Chapter but choose not to join that Local Chapter and who apply for and are granted membership.

Section 2.2 Voting. Each Local Chapter shall have a number of votes equal to the sum of three votes plus one vote per 100 individual members or major fraction thereof determined as of sixty (60) days before a meeting of the members. There is no limit to the number of votes a chapter could have.

When calculating the number of individual members of each Local Chapter, the Corporation shall use the method in use by The Arc of the United States for calculating and identifying members if one exists. If The Arc of the United States has no method, then the Corporation may adopt one to use and may also apply as a single standard for all local chapters. No Local Chapter is entitled to vote unless it is in good standing.

The Local Chapters may not cumulate their votes for the election of directors. Voting may be in person or by proxy. Any Local Chapter may vote by its president or any individual designated in writing by the president, unless some other person is so appointed by a resolution of its board of directors and written notification of the resolution is provided to the Corporation. Every proxy shall be executed in writing by the voting member or its 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 un-revoked proxy shall be valid after 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 years after the date of its execution.

Voting members shall be entitled to vote on matters committed to them by the NPCL including the election of directors and approval of fundamental transactions.

Section 2.3 Record Date. The record date for the purpose of determining the voting members entitled to notice of or to vote at a meeting of the members or the number of votes held by each voting member shall be sixty (60) days before the meeting. Only voting 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.

Section 2.4 Judges of Election. In advance of any meeting of members, the Board may appoint judges of election, who need not be members, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer may, and on the request of any member shall, make such appointment at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge. If any person appointed as judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by Board of Directors in advance of the meeting, or at the meeting by the presiding officer. The judges of election shall determine the number of members of record and voting power of each, the members present at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, if any, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and

tabulate all votes, determine the result, and do such acts as may be proper to conduct the election or vote with fairness to all members. The judges of election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there are three judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all. On the request of the presiding officer of the meeting, or of any member, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

Section 2.5 Dues. Dues shall be established by the Board of Directors from time to time in such amounts and due at such times as the Board may determine.

Section 2.6 Members in Good Standing. A Local Chapter in good standing is one that meets the requirements of being a local chapter and whose dues are not delinquent or who has a written alternative dues agreement with the Corporation, and it shall be eligible to vote on all questions, except as may be otherwise prohibited through these Bylaws. An individual member in good standing is one who has applied for and been granted membership and whose dues, if applicable, are not delinquent. Any individual member in good standing shall be eligible to hold office. A member not in good standing does not have any rights, benefits and/or privileges under these Bylaws.

Section 2.7 Meetings of the Members. Meetings of members may be held at such place within or without the Commonwealth of Pennsylvania as the person calling the meeting shall so indicate in the meeting notice. The annual meeting of the members shall be held in April or May of each year or at such other time as the Board may determine from time to time by resolution. Special meetings of the members shall be called by the Secretary upon the instruction of the President or the written request of ten percent (10%) of the Local Chapters.

Section 2.8 Notice. Written notice of the date, time, general purpose and place of the annual meeting of the members shall be given to all voting members of record entitled to vote at the meeting at least 30 days prior to the date of the annual meeting. Written notice of the date, time, general purpose and place of each other meeting of the members shall be given to all members of record entitled to vote at the meeting at least ten (10) days prior to the day of a meeting. Such notice shall be given to the member either in person or via U.S. Postal Service, Fedex or UPS or similar delivery service to the member's address appearing on the books of the Corporation, or electronically via Email or facsimile.

Section 2.9 Liability of Members. The members shall not be 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 capital contributions, 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 2.10 Waiver of Notice. Whenever any written notice is required to be given, a waiver thereof in writing signed by the members entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice. Attendance of a member at a meeting shall constitute a waiver of notice of the meeting unless the 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 2.11 Quorum. A quorum shall be constituted by the presence in person or by proxy of voting members entitled to cast at least a majority of the votes which all voting members are entitled to cast on the matters to be acted upon. One or more members may participate in any meeting of the 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 members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. The acts at a duly organized meeting of the members at which a quorum is present shall be the acts of the members.

Section 2.12 Termination. Any member's membership may be terminated (a) by the Secretary for failure to pay dues in the case of an individual member, or (b) in the case of a local chapter by the Board of Directors for failure to pay dues or for cause by the vote of a majority of the Directors present at a meeting of the Board of Directors at which a quorum is present. Cause shall mean the failure of the member to comply with the affiliation agreement adopted and amended by the Corporation's Board from time to time, which affiliation agreement shall be distributed to the Local Chapters and be available to nonvoting members at the Corporation's principal office. In the case of termination for cause, the affected member shall be given at least ten (10) 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 a brief oral response. The decision of the Board of Directors shall be final. The foregoing procedure for hearing before the Board shall not apply to termination for failure to pay dues.

Section 2.13 Transfer of Membership. Membership in this Corporation is nontransferable and non-assignable.

Section 2.14 Consents. Any action that may be taken at a meeting of the members may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the members entitled to vote thereon and is filed with the Secretary of the Corporation.

ARTICLE III

Board of Directors

Section 3.1 Authority. Subject to the rights of the members and any limitations set forth elsewhere in these Bylaws or the Articles of Incorporation of the Corporation, 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. Every Director must be an individual member of the Corporation. No employee of the Corporation is eligible to serve as a Director.

Section 3.2 Number and Term. The Board of Directors shall consist of no less than nineteen (19) and no more than twenty-five (25) voting directors of the Corporation, as well as an unlimited number of non-voting ex-officio directors, and shall consist of the following:

- (a) six (6) officers of the Corporation: President, First Vice President, Second Vice President, Secretary, Treasurer and Immediate Past President (collectively, the “Officer Directors”);
- (b) the remaining thirteen (13) to nineteen (19) directors shall include:
 - (1) Subject to Board of Director approval, the President shall have the authority to appoint up to three (3) persons to serve as Directors, one of whom may be local chapter staff (“Presidential Directors”).
 - (2) The president of the Pennsylvania Conference of Executives or his or her designee (“PCE Director”).
 - (3) Subject to Sections 3.2(b)(3) and 3.3 of these Bylaws, any person who is serving on The Board of Directors of The Arc of the United States, is a resident of Pennsylvania, and who is a member of the Corporation, as defined in Article 2 of these Bylaws, shall be permitted to serve in an ex officio capacity without voting rights.

At all times, the composition of the Board of Directors shall meet the following requirements. Directors must be members of the Corporation. The majority of the Board of Directors shall be family members of a person with intellectual or developmental disability and/or self-advocates. For purposes of these Bylaws, the term “Self-Advocate” means a person with an intellectual or developmental disability,. There shall be no less than three (3) self-advocates on the board. No more than twenty-five percent (25%) of the Board of Directors shall be members of Local Chapter staff. No Local Chapter may have more than two (2) voting representatives on the Board of Directors at the same time and no more than two (2) voting representatives from any one county may be on the Board of Directors at the same time, except that officers, the PCE Director, and Presidential Directors are exempt from the chapter and county limitations, and an individual who is a member of the Board of Directors when the most recent version of these bylaws goes into effect are exempt from the chapter limitations through the end of their current term. If at any time the Board does not satisfy these requirements, the Board will still be authorized to act, but the president shall promptly take action to rectify the Board’s composition.

The Officer Directors shall each serve for so long as he or she holds the office pursuant to which he or she is a Director. The PCE Director and each Ex Officio Director shall each serve for so long as he or she holds the office or position pursuant to which he or she is a Director. Presidential Appointee Directors shall each serve for so long as the individual making the

appointment holds the office of President. All other directors shall serve for a period of three (3) years or until such Director's successor has been duly elected and qualified or until the Director's earlier death, resignation or removal, and they shall be divided into three classes with an approximately equal number of directors in each class, and the term of one such class shall expire in each successive year. There shall be a minimum of 3 members in each class. The voting membership has ultimate authority when determining the maximum number of directors to elect in each class provided the total number of board members does not exceed 25. No voting Director who has served ten (10) consecutive years may serve as a Director until he or she has not served as a Director for one year; provided that such limitation shall not apply to the then-existing President, First Vice President or Immediate Past President of the Corporation. No Director can hold more than one position on the Board simultaneously.

Section 3.3 Nomination and Election. Nominations of Directors shall be made by the Board Development Committee, pursuant to Section 5.4 hereof, and elected by a majority vote of the membership at the annual meeting, except as provided in Sections 3.4 and 4.4. Unless otherwise specified at the time of the election, new Directors shall take office at 12 a.m. July 1st of the year in which they are elected. .

Section 3.4 Vacancies. Vacancies in a Presidential Director shall be filled by the President pursuant to Board approval. Other vacancies occurring on the Board shall be filled by the Board of Directors. 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. Vacancies shall refer to vacancies by death, resignation, refusal to serve, increase in the number of Directors or otherwise.

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

Section 3.6 Meetings. The Board shall meet at least quarterly at a date and time established by the Board. Special meetings shall be called by the Secretary upon the order of the President 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 Attendance at Meetings. Officers and Directors have the duty and obligation to attend all Board meetings either in person or via teleconference. The names of Directors present, excused or absent shall be recorded. Any Director who fails to attend two (2) meetings of the Board of Directors in a fiscal year or two (2) consecutive Board meetings at any time without having been excused by the President prior to the meeting shall be deemed to have resigned from the Board of Directors. The only exceptions are unforeseen emergencies, which are determined as such by the Board on a case by case basis. A Director who is deemed to have resigned pursuant to this section may apply to the Board for re-appointment, which application will be ruled upon by a majority vote of the Board members entitled to vote. The Secretary shall notify the person deemed to have resigned pursuant to this section of such resignation and of the right to apply for re-appointment to the Board.

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. Subject to Section 9.1 of these Bylaws, 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. A majority of the Directors present and entitled to vote, whether or not a quorum exists, may adjourn any meeting of the Board 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. Resolutions reflecting the policies of the Corporation regarding issues affecting people with intellectual and developmental disabilities shall be adopted by the Board of Directors.

Section 3.10 Notices. Written notice of the date, time and place of each regular meeting of the Board of Directors shall be given to all Directors at least fourteen (14) days in advance of the date thereof; provided, however, that resolutions reflecting the policies of the Corporation regarding issues affecting people with intellectual and developmental disabilities shall also be provided to the voting members at least fourteen (14) days prior to the date of adoption of the resolution. Such notice shall set forth the date, time and place of the meeting. For special meetings, five days advance notice shall be given and the notice shall also state the general nature of the business to be transacted. 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 in person or via U.S. Postal Service, Fedex or UPS or similar delivery service to each Director's address appearing on the records of the Corporation, or electronically via Email or facsimile. 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. In the case of a special meeting, such waiver of notice shall specify the general nature of the business to be transacted. 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 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 which the Director reasonably believes to be within the professional or expert competence of such persons; and
- (c) a committee of the Board 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 that would cause his or her reliance to be unwarranted.

Section 3.13 Factors Which May Be Considered by Directors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of this Corporation, consider to the extent they deem appropriate.

- (a) the effects of any action upon any or all groups affected by such action, including members, employees, suppliers, customers and creditors of the Corporation, and upon communities in which offices or other establishments of the Corporation are located;
- (b) the short-term and long-term interests of the Corporation, including the benefits that may accrue to the Corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the Corporation;
- (c) the resources, intent and conduct (past, stated and potential) of any person seeking to acquire control of the Corporation; and
- (d) all other pertinent factors.

Section 3.14 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 include requirements in the Local Chapter affiliation agreement. Such rules and regulations may be amended by majority vote of the Directors present and entitled to vote at a meeting of the Directors where a quorum is present.

Section 3.15 Removal of Directors.

- (a) By the Members. The entire Board of Directors or any class thereof or any individual Director may be removed from office without assigning any cause by the vote of the members entitled to cast at least a majority of the votes that all members present would be entitled to cast at any meeting of the members. New Directors shall be elected at the same meeting. Unless the entire Board or class is removed, no individual Director shall be removed if the votes cast against the individual Director's removal, if cumulated, would be sufficient to elect one Director.
- (b) By the Board. The Board of Directors, by a supermajority two-thirds (2/3) 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 discretion of the Board, materially and adversely affects or may affect the Corporation.

Section 3.16 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 3.17 Conflict of Interest. As each Director participates in the business of the Corporation, he/she has a fiduciary duty to act prudently and in the best interest of the Corporation, as opposed to his or her personal interest or the interest of some other person or entity. The Internal Revenue Code also requires that officers and directors of a 501(c)(3) organization not engage in excess benefit transactions with the 501(c)(3) organization. Indeed, officers and directors will be subject to onerous excise taxes if they do engage in excess benefit transactions with the 501(c)(3) organization.

This policy is intended to assist Directors in satisfying their fiduciary duty to the Corporation. It also assists officers and Directors in avoiding excess benefit transactions.

- (a) Definition of a Conflict. An actual or potential conflict of interest exists when any of the following exists:
 - 1) The Corporation does or proposes to do business with:
 - i) an officer or Director; or
 - ii) a family member of an officer or Director; or
 - iii) an organization in which an officer, Director and family member has an ownership or investment interest or compensation relationship; or

- 2) An officer or Director receives remuneration for performing services for the Corporation and Corporation is determining his or her remuneration;
- 3) An officer or Director or family member serves as an officer or director or key employee of, or has an ownership interest in or is compensated by, any organization that competes with the Corporation; or
- 4) An officer or Director serves as an officer or director of, is employed by, or has other close ties to an organization to which the Corporation is contemplating a grant.

A conflict also exists when a similar circumstance exists with respect to a company 35% owned by Directors and/or officers and/or their family members.

- (b) Disclosure. Annually, each Director and officer must complete a disclosure statement reflecting his or her interests. The President of the Board is responsible for reviewing the disclosure statements so that he or she is familiar with potential conflicts. In addition, each Director and officer is personally responsible for disclosing his/her actual or potential conflict at the time the Corporation is considering a transaction that may involve a conflict.

Directors and officers shall act in a manner intended to further the best interests of the Corporation. If at any time a Director or officer has or may have a conflict of interest, the Director shall disclose the conflict, recuse himself or herself from voting on the subject and, if so requested by any other participant in the meeting, shall leave the room while the matter is discussed. Prior to leaving the room, the affected Director shall answer any questions asked by disinterested directors. Recusing himself or herself shall not prevent a Director or officer from participating in other activities or discussions where no conflict of interest exists.

- (c) Standard for Approval. In the event the Board or Executive Committee concludes that a conflict exists, the President or majority of the disinterested Directors present may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement which presents the conflict. Alternatively, the Board or Executive Committee may approve the transaction or arrangement that is the subject matter of the conflict by an affirmative vote of a majority of the disinterested Directors present so long as the disinterested Directors constitute a quorum.

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, the Corporation would not obtain a more advantageous transaction with reasonable efforts under the circumstances. Where reasonably possible, the Board shall obtain comparable information to assist it in reaching such conclusions. Comparable information may include appraisals, valuations, competing offers or bids, compensation surveys, reports of experts and similar data. When setting compensation for disqualified persons, including without limitation officers and Directors, the Corporation shall obtain comparable information and exclude from the decision making body the applicable disqualified persons and any persons they supervise¹.

- (d) Minutes. The minutes of all meetings shall reflect (i) the names of the persons who disclosed any conflicts; (ii) the determination as to whether an actual or potential conflict of interest existed; (iii) the names of the persons who were present for discussions and votes relating to the transaction or arrangement; (iv) the content of the discussions, including any alternatives to the proposed transaction or arrangement and the basis for the determination of the Board, including any comparability data; (v) the voting record, including any abstention from voting; and (vi) any action to be taken.

ARTICLE IV

Officers

Section 4.1 Enumeration. The officers of the Corporation shall consist of a President, First Vice President, Second Vice President, Immediate Past President, Secretary and Treasurer and such other officers and assistant officers as the members may, from time to time, designate. No employee of the Corporation or any chapter of the Corporation is eligible to serve as an officer. Officers must be members of the Corporation.

Section 4.2 Term of Office. Each officer shall serve for a term of two (2) years and, subject to resignation or removal prior to completion of the two-year term, shall continue thereafter until the officer's successor is duly elected and takes office. No individual shall be permitted to hold the same office for more than two (2) consecutive terms.

¹ Generally, a disqualified person is anyone who has (or during the last 5 years had) substantial influence over the Corporation. Directors and officers are always disqualified persons.

Section 4.3 Election. All officers except the Immediate Past President shall be (a) nominated by the Board Development Committee in accordance with the procedure set forth in these bylaws, and (b) elected by the voting members at the annual meeting of the members or a special meeting called for such purpose. At least thirty (30) days prior to the annual meeting of the members, the Board Development Committee shall submit to the voting members at least one name for each office.

Section 4.4 Vacancies. With the exception of Immediate Past President, any vacancy may be filled by the Directors entitled to vote. The President may, however, fill vacancies in the position of Secretary or Treasurer or any other office designated by the members for the period ending upon the date when such vacancy is filled by the members or Board. In the case of a vacancy in Immediate Past President, subject to Board approval, preceding Immediate Past Presidents shall be eligible to serve, from the most to least current available preceding Immediate Past President.

Section 4.5 President. The President shall be responsible for overseeing the affairs of the Corporation and shall preside at all meetings of the members and the Board; shall appoint the chairpersons of all committees, with the approval of the Board, and supervise directly or indirectly their work; shall appoint special committees as required; shall appoint representatives of the Corporation to participate in government and non-government endeavors, such as task forces, ad hoc committees, and political action committees, as required; shall act as executive officer of the Corporation and, in general, perform the duties usually associated with the office of President.

Section 4.6 Vice Presidents. The First Vice President shall serve in the absence, disability or resignation of the President. The Second Vice President shall serve in the absence, disability or resignation of the First Vice President and, thereupon, the Board of Directors will select a new Second Vice President for the balance of that term. The First Vice President and the Second Vice President shall also perform such other responsibilities as the President may assign.

Section 4.7 Secretary. The Secretary shall make or cause to be made minutes of all meetings of the Board of Directors and the members. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board of Directors and the members, shall affix the corporate seal at the direction of the President 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 which may be assigned from time to time by the Board of Directors. All records of the Corporation shall be maintained at the principal place of business of the Corporation.

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, (c) the Directors at the regular meetings of the Board 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 Finance & Audit Committee. 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 present an annual report to the Board and make it available to the membership after the close of the fiscal year listing all receipts and disbursements by budget category.

Section 4.9 Immediate Past President. Upon the completion of his or her term as President such person shall serve as the Immediate Past President until his or her successor President completes his or her term and assumes the office of Immediate Past President. The Immediate Past President shall provide historical perspective to the Board and Executive Committee.

Section 4.10 Other Officers. Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Board or members from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer 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 or member of any committee solely by virtue of being an assistant officer.

Section 4.11 Bonds. The Board 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 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 4.12 Removal of Officers. Subject to Section 3.6 of these Bylaws, 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.

Section 4.13 Executive Director. The Corporation may employ an Executive Director to serve as the principal administrative agent of the Corporation. The Executive Director shall be approved by and serve at the pleasure of the Board of Directors. The Executive Committee shall approve the Executive Director's compensation within the confines of the budget of the Corporation. The Board may also employ additional staff under the supervision of the Executive Director, as the operations of the Corporation may require.

ARTICLE V

Committees

Section 5.1. Committees. The Corporation shall have the following standing committees: Executive, Board Development, Finance & Audit, Systems Advocacy and

Governmental Affairs, Advocacy Capacity, Resource Development, Marketing & Media, and Chapter Relations (the “Standing Committees”). There shall be such other committee(s) as the Board may deem advisable in the administration and conduct of the affairs of the Corporation. Such committees of the Board shall meet as necessary to accomplish their goals. Every Standing Committee shall have a Chairperson who is on the Board of Directors. Every committee, including Standing Committees, may have a Co-Chairperson who is or is not on the Board of Directors and shall have at least three (3) committee members. All Directors must serve on at least one standing committee or subcommittee named in section 5.6. The Board is authorized in its discretion to approve reimbursement for travel and actual expenses necessarily incurred by members of committees in attending committee meetings and in performing other official duties as such. Except as otherwise provided in these bylaws or in the resolution creating the applicable committee, chairpersons and members of standing committees and the subcommittees named in section 5.6 shall be appointed annually by the President and approved by the Board of Directors. With the exception of the Executive Committee, any person, whether or not a Director of the Corporation, is eligible to serve as a committee member. 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 submission to the voting members of the Corporation of any action requiring approval of the members;
- (b) the filling of vacancies in the Board of Directors;
- (c) the adoption, amendment or repeal of the bylaws;
- (d) the amendment or repeal of any resolution of the Board; or
- (e) action on matters committed by the Bylaws or a resolution of the Board to another Committee of the Board.

Section 5.3 Executive Committee. The Executive Committee shall consist of the President, First Vice President, Second Vice President, Immediate Past President, Secretary, Treasurer of the Corporation, and the PCE Director. With the exception of the PCE Director, no employee of the Corporation or any chapter of the Corporation may serve on the Executive Committee. The President shall serve as the chairperson of the Executive Committee, but may vote only to break a tie. The Executive Committee may act for the Board between meetings. The Executive Committee shall meet, as needed, at such times as the President 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 a majority. The President shall present a full report of all Executive Committee decisions to the Board at the next regularly scheduled meeting of the Board.

Section 5.4 Board Development Committee. A Past President shall Chair the Board Development Committee. The Board Development Committee shall seek nominees and determine the qualifications of nominees to serve as directors and officers as provided for in Articles III and IV hereof, respectively. The Board Development Committee shall advance to the voting membership all names of nominees who are qualified. The Board Development Committee may endorse nominees. The Board Development Committee should consider factors like the potential to lead the Corporation to achieve its mission, strategic priorities, and key areas of operations. The Board Development Committee should also consider the following non-inclusive factors: (1) geographic diversity; (2) chapter diversity; (3) ethnic, racial, gender, and age diversity; and (4) disability diversity.

Nominations may be submitted to the Board Development Committee for consideration throughout the year. All nominees advanced to the voting membership shall be individuals of full age, who may vote at the general meetings, and who have given consent to the nomination.

The Board Development Committee shall be responsible for apprising director and/or officer nominees of the duties, responsibilities and expectations applicable to the position for which the nominees are selected before the nominees are elected or appointed to the Board. The orientation should include, but is not limited to, the following: (a) the history and interrelationships between and among The Arc of the United States, The Arc of Pennsylvania and Local Chapters; (b) articles of incorporation, bylaws, and affiliations agreements of the Corporation, as well as position statements made or joined by the Corporation; (c) the strategic priorities of The Arc of Pennsylvania; (d) the existence of a fiduciary duties that a director and/or officer owes The Arc of Pennsylvania; and (e) expectations relative to donations, attendance at meetings, participation in committee work and the annual signing of the conflict-of-interest policy.

Section 5.5 Finance & Audit Committee. The Finance & Audit Committee is responsible for the maintenance of the organization's financial health and shall oversee the integrity of the Corporation's financial statements and the Corporation's compliance with legal and regulatory requirements and ethical standards. It shall oversee the effectiveness of the Corporation's internal controls. It shall also appoint and determine the compensation of the Corporation's auditors. The Finance & Audit Committee may approve unbudgeted expenditures that do not affect the balance of the Board's approved budget. For budget expenditures that were not in the approved budget, and do adversely affect the balance of the budget, the Finance & Audit Committee may review and recommend budget actions to the Board of Directors. The Finance & Audit Committee chairperson shall be the Treasurer.

Section 5.\6 Systems Advocacy and Government Affairs Committee. The Systems Advocacy and Government Affairs Committee ("SAGA") shall attempt to address inequalities and improprieties affecting individuals with intellectual and developmental disabilities, and their families, at the systemic level and at the executive, legislative and judicial levels of government. The committee will be divided into the following two subcommittees: (1) Adult; and (2) Education and Early Childhood. Systems Advocacy means concentrating on improvements and changes to local and state-wide governmental and non-governmental

programs, agencies, and positions affecting individuals with intellectual and developmental disabilities and their families. Government Affairs means concentrating on issue and public policy advocacy through the executive and legislative process and on the Corporation's legislative agenda. The committee represents the constituency of The Arc of Pennsylvania and maintains relationships with key legislators from their areas. The Committee will coordinate events for legislators and other policy-makers.

Section 5.7 Advocacy Capacity Committee. The Advocacy Capacity Committee shall work to develop advocacy at the local level, including planning with and assisting established local chapters of the Corporation and/or creating advocacy to exist where no Local Chapter exists currently. The Committee shall assist in advocacy matters arising in or otherwise affecting Local Chapters to the extent that the Committee determines, in the exercise of its discretion, that such matters may have significant state-wide impact. The Committee shall also aid the state chapter in carrying out its SAGA mission.

Section 5.8 Resource Development Committee. The Resource Development Committee shall work to develop financial resources and fundraising activities of the Corporation for the purpose of raising non-dues revenues.

Section 5.9 Marketing and Media Committee. The Marketing and Media Committee shall work to develop strategies, non-financial resources and capacity relative to the Corporation's press/media, marketing and name branding efforts designed to enhance the reputation of the Corporation and the Corporation's ability to carry out its varying functions, goals and strategic priorities. The Committee shall at all times focus on issues such as holding the Corporation out to broader constituency, representing the diverse makeup of the Commonwealth of Pennsylvania, helping all persons in Pennsylvania with intellectual and developmental disabilities, regardless of their age, race, religion, gender, or national origin, and helping families with individuals with intellectual or developmental disabilities.

Section 5.10 Chapter Relations Committee. This committee shall consist of at least five persons. The chairperson shall be either the First or Second Vice President, as determined by the President. This committee shall:

- (a) Set policy and approve procedures to regulate and guide the relationship between the state/local and local/local chapters;
- (b) Act on matters between chapters upon request or grievance;
- (c) Recommend standards for Board approval for chapter affiliation;
- (d) Recommend changes in affiliation status to the state board of directors and to The Arc of the United States;
- (e) Exchange dues payment information with the finance committee or board;(f) Review and make recommendations to the Board from time to time relative to local chapter affiliation assessments, with a primary purpose of assuring that the Corporation has

sufficient resources to perform its mission and achieve its strategic priorities; and

- (g) Encourage efforts to increase the number and/or strength of Local Chapters and/or members to the Corporation.

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 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 of 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, other than an action by or in the right of the Corporation, 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 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 members, 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 members or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal 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, committeeman 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;
- (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;
- (c) by the voting members.

ARTICLE VIII

Restrictions Regarding the Operations of the Corporation; Administration of Funds

Section 8.1 No Private or Political Beneficiaries. In keeping with the statement of purpose 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, and no substantial part of the activities of the Corporation shall be used for lobbying and the Corporation shall not engage in any political campaign activities on behalf of or in opposition to any candidate for public office.

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 to which

contributions are deductible in computing the net income of the contributor for purposes of federal income taxation.

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 law, such documents shall be made available during regular business hours for inspection by any person requesting to see them. The Corporation shall file all required registrations to solicit charitable contributions.

Section 8.4 Annual Report and Audit. 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. The financial records of the Corporation shall be audited annually by a certified public accountant and a report presented at a meeting of the Board of Directors of the Corporation.

Section 8.5 Books and Records. This Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of its members, 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 and an original or duplicate membership register, giving the names of the members and showing their respective addresses, and the class and other details of membership. Every member shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account and records of the proceedings of the members and Directors, and to make copies or extracts therefrom at the member's expense. A proper purpose shall mean a purpose reasonably related to the interest of such person as a member. 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 member.

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 Code. References to the Code 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, which are inconsistent.

ARTICLE IX

Bylaw Amendments

Section 9.1 Authority. Voting members may amend, alter and/or repeal these Bylaws by majority vote during a duly held meeting of the members. Unless approval of the members is required by the Pennsylvania Nonprofit Corporation Law, these Bylaws may be altered, amended and/or repealed from time to time by the Board of Directors by the affirmative vote of a two-third (2/3) supermajority of the Directors entitled to vote.

Section 9.2 Notice. The members of the Corporation shall be given at least ten (10) days' prior written notice of any meeting of the members at which proposed changes to the Bylaws of the Corporation are to be considered or acted upon. Such written notice shall include a copy of the proposed amendment or a summary of the changes to be effected thereby.

ARTICLE X

Position Statements

Section 10.1 Position Statements. Position statements of the Corporation represent the means for the implementation of the core values of the Corporation. The Board of Directors shall establish a process for drafting and adopting position statements. Position statements shall be approved by majority vote of the Board and shall not be inconsistent with the policies and/or position statements of The Arc of the United States.

Section 10.2 Sun-setting. All position statements shall have a life not to exceed six (6) years, unless re-approved by the Board. The Board of Directors should create a process for the appropriate disposition of position statements. In the absence of the establishment of said process by the Board, the Board shall ensure that each position statement scheduled for sun-setting in a particular fiscal year is identified for review the first month of each fiscal year in which the position statement is scheduled for sun-setting and is evaluated for renewal, revision or termination, as may be appropriate, no later than the conclusion of the third quarterly meeting of the Board of Directors. The final Board vote concerning any and all sun-setting position statements shall occur no later than the final meeting of the Board during that fiscal year or the policy statement will automatically terminate.