

# Museum of Bus Transportation

## BYLAWS

*May 8, 2004; Revised Apr/1 1, 2008; Revised September 6, 2011 (addition of 3.5(b), 3.5(c), 3.5(d)); Revised July 10, 2012; Revised March 18, 2017*

### ARTICLE 1 - ORGANIZATION

#### **Section 1.1 Name.**

The name of this organization shall be the Museum of Bus Transportation. Noted hereafter as "The Museum".

#### **Section 1.2 Seal.**

The organization shall have a seal, which shall be in a circular form with the organization name around the outside. The Board of Directors may adopt a corporate seal, which may be altered from time to time with majority Board approval. The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, or reproduced in any other manner.

1.2.1 The Secretary shall maintain the Corporate Seal in safe custody

#### **Section 1.3 Name Change.**

The organization may at its pleasure, by a two-thirds (2/3) vote of the Members, change its name.

#### **Section 1.4 Business.**

The registered office of the corporation is located at 161 Museum Drive, Hershey, PA 17033. The organization may conduct its business at such place and may establish other offices and facilities at such places as the Board of Directors may determine from time to time.

#### **Section 1.5 Non-stock Organization.**

The organization is organized on a non-stock basis.

#### **Section 1.6 Fiscal Period.**

The organization's fiscal year shall begin January 1 and end on December 31 of each calendar year.

## **ARTICLE II – PURPOSE AND POWERS**

### **Section 2.1 Purpose**

The organization is formed specifically for the following charitable, educational, and scientific purposes:

- 2.1.1 To further the study and education of current and historical motor bus design, construction, and operation, and to publish data on the subject matter. To keep its members and the general public informed on the said subject matter; and to establish and operate a museum facility opened to its members and the general public for the preservation, restoration and display of historical motor buses and bus memorabilia.

### **Section 2.2 Organized**

The organization is organized exclusively for charitable, scientific and education purposes, including, for such purposes, making of distributions to organizations that qualify as exempt organizations under Section 501(c) (3) of title Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or governmental entities or subdivisions of the Commonwealth of Pennsylvania or of the United States of America.

### **Section 2.3 Limitations on Activities**

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its Board of Directors, members, officers or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in the furtherance of the purposes set forth above. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

The corporation may not engage, participate, or intervene in any activities not permitted by a corporation exempt from federal income tax. The corporation may not endorse, contribute to, work for, or otherwise support or oppose a candidate for public office unless otherwise allowable by law. The assets and income of the corporation may not be distributed to or benefit

(Article II continued)

the trustees, directors, officers, or other individuals, except that the corporation is authorized to pay reasonable compensation for services rendered.

#### **Section 2.4 Powers**

The corporation has the power to do any and all lawful acts that may be necessary or convenient to affect the corporation's purposes. It has the power to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers may include, but are not limited to, the acceptance of contributions from the public and private sectors both financial and in-kind.

### **ARTICLE III- MEMBERSHIP**

#### **Section 3.1 Qualifications**

Any person or business that has an active interest in motor buses or passenger transportation is eligible for membership. From time to time the Board of Directors may establish one or more classes of membership as it deems fit and on such terms and conditions as the Board may determine by resolution.

#### **Section 3.2 Dues**

The Board of Directors may determine from time to time the amount of initiation fee, if any, and dues payable by the members.

#### **Section 3.3 Removal**

The Board of Directors, by affirmative vote of two-thirds of all of the members of the Board, may suspend or expel a member for cause after an appropriate review, or terminate the membership of any member, who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of any dues or assessments. Once removed, a past member forfeits all rights and fees paid during their active membership period.

#### **Section 3.4 Transfer**

Membership in this organization is not transferable or assignable.

(Article III Continued)

### **Section 3.5 Membership Categories**

- 3.5.1 Honorary membership. Those who have rendered exceptional and outstanding service to the cause of the organization are eligible for honorary membership. Honorary membership candidates shall be submitted to the Executive Committee or other designated committee for review of qualifications with recommendation to the Board of Directors for approval. Honorary members have no voting rights and dues are waived.
- 3.5.2 Individual Membership. Any person, except the person designated to represent the company for a Business Membership, who has an active interest in motor buses or passenger transportation, is eligible for membership. Individual members shall have voting rights and pay annual dues on their anniversary month.
- 3.5.3 Life Membership. Any person, except the person designated to represent the company for a Business Membership, who has an active interest in motor buses or passenger transportation, may qualify as a Life Membership upon receipt of a one-time dues fee. Life members shall have voting rights.
- 3.5.4 Business Membership. Any business that has an active interest in motor buses or passenger transportation is eligible for business membership. Business members shall have voting rights by designation of one-company representative and pays dues on their anniversary month.
- 3.5.5 Other. Additional membership categories may be established by the Board of Directors as needed.

### **Section 3.6 Membership Cards**

Membership in the organization shall be evidenced by a Membership Card. The card shall be in such form and style as the Board of Directors may determine. The fact that the organization is a nonprofit corporation shall be noted conspicuously on the face of each card.

## **ARTICLE IV - MEETINGS OF MEMBERS**

### **Section 4.1 Meetings**

Meetings of the members shall be held at the principal offices of the organization or at such other place as set by the Board of Directors.

### **Section 4.2 Annual Meeting**

An annual meeting of the members shall be held each year at approximately 12 month intervals where the mailed in votes of the members for new Board member are counted, and the results of the election are announced. Such other business as may properly be brought before the meeting shall be transacted. If the annual meeting shall not be called and held within six months after the designated time, any member may call such meeting.

- 4.2.1 The annual members' meeting will be held at the corporation's registered office each year or at any date, time, and place as designated by resolution of the Board of Directors. The meeting's purpose is to elect a Board of Directors, report affairs of the corporation, and conduct any other proper business not inconsistent with law.

### **Section 4.3 Special Meetings**

Special meetings of the members may be called at any time by the President, or a majority of the Board of Directors. Also, a special meeting may be requested by at least 25% of the voting members upon written request. Any notice of a special meeting shall include the specific subject, issues, and reasons behind the request. It shall be the duty of the Secretary to fix the time of the meeting which shall be held not more than sixty days after the receipt of the request. Business transacted at all special meetings shall be confined to the subject stated in the call and matters germane thereto.

### **Section 4.4 Notice**

Written notice or email notice of every meeting of the members stating the time, place and object thereof, shall be given by, or at the direction of, the Secretary to each member of record entitled to vote at the meeting, at least thirty (30) days prior to the day named for the meeting.

(Article 4 Continued)

- 4.4.1 Except as otherwise provided by law or the articles of incorporation, all notices of annual or special meetings must be in writing and given in person, by electronic transmission where permitted by law or by first-class mail no less than ten (10) nor more than sixty (60) days before such meeting. All notices must specify the place, date, hour, general purpose, and matters to be transacted for the meeting.

#### **Section 4.5 Quorum**

A meeting of members duly called shall not be conducted for the transaction of business unless a quorum is present. The presence in person of three (3%) percent of the members entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business except as may be otherwise provided by law or by the Articles of Incorporation. At any meeting an issue put to the vote of the members will require a simple majority of the voting members present to be approved, unless other provision of these bylaws or the articles of incorporation requires a greater majority vote.

- 4.5.1 Quorum; Adjournment. The presence, in person or by proxy, of Twenty Five percent (25%) of the members constitutes a quorum for the transaction of business, except as otherwise provided by statute or the articles of incorporation. If a quorum is not met, the meeting may be adjourned to another date, time, or place announced at the meeting without further notice to members, unless the adjournment is for more than thirty (30) days or the Board of Directors fixes a new record date for the adjournment. No other business may be transacted if a quorum is not met.

#### **Section 4.6 Votes**

Every voting member eligible to vote of The Museum shall be entitled to one vote except honorary members. Upon request of a member, the books or records of membership shall be available at any regular or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such book, or records, to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members entitled to vote may vote. The right of a member to vote and his/her right, title and interest in or to the Museum or its property, shall cease on the termination of his/her membership.

(Article 4 Continued)

4.6.1 Voting. Except as otherwise provided in the articles of incorporation and resolutions by the Board of Directors establishing one or more membership classes, each outstanding share is entitled to one vote on each matter submitted to a membership vote. Cumulative voting may be used when electing Directors. All elections will be determined by a majority of votes cast of the shares represented at a meeting, except as otherwise required by law or the articles of incorporation.

#### **Section 4.7 Method of Voting**

Voting shall be in person or by proxy or any reasonable means determined by the Board of Directors. Proxy voting shall only apply to the question as stated in any special meeting notification, and shall be limited to a single item. Elections for directors should be by proxy ballot, and/or in person at an annual meeting of The Museum

4.7.1 Proxies. Each member entitled to vote may vote personally or execute proxies authorizing another person or persons to vote with respect to the member's shares. The authorization may be made in writing, by electronic transmission or orally by telephone as may be permitted by law. Unless otherwise stated in the proxy, a proxy automatically expires at the end of sixty (60) days or a designated date of execution. The revocability of a proxy will be governed by applicable state law.

4.7.2 Actions by Members' Written Consent without Meetings. Unless otherwise provided by law or the articles of incorporation, any action that may be taken at an annual or special members' meeting may be taken without a meeting and without prior notice if authorized by members' written consent filed with the Secretary. A written consent must set forth the action to be taken and be signed by the holders of outstanding shares having no less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Notwithstanding the foregoing, an election of the Board of Directors by written consent (not as a result of vacancy caused by death, removal, resignation, or disqualification) requires the unanimous consent of all shares entitled to vote.

(Article 4 Continued)

#### **Section 4.8 Board Nominations**

On or before the September Board Meeting, the Board of Directors or any designated committee shall nominate those members who shall stand for election as a Board of Director at the annual meeting. Publication of those members nominated by the Board shall be given to the member in the notice of the annual meeting.

Any member must be nominated by no fewer than five (5) active members to be eligible for consideration as a candidate. Such nominations must be in writing on a Museum nomination form provided for this purpose, signed by the person making the nomination, provide supporting reasons why the individual being nominated is qualified to serve, and submitted to the Secretary by the specified deadline. The person being nominated must formally accept the nomination in writing by signing and returning the Museum form provided for this purpose to the Secretary by the specified deadline, indicating their willingness to serve on the Board if elected. Any nominations that do not comply with these requirements, shall not be considered by the Board for potential inclusion on the proxy ballot. Any nominations received by the Secretary subsequent to such date shall not be considered for election as a Board of Director at the annual meeting.

#### **Section 4.9 Board Ballot**

The September Board Meeting is the meeting for the board ballot to be approved for publication to the membership.

The Board shall review all applications and documentation for a board position and may reject any nominee if the nomination requirements are not met. All nominees for the ballot must be accepted and approved by the Board by majority vote. For candidates that meet all the requirements, the Board reserves the right to accept or reject for due cause any candidate by a majority vote.

#### **Section 4.10 Proxy Ballots for Board Elections**

Voting by members may be in person or by proxy ballot; provided, however, that any proxy ballot shall be in writing, delivered to the Secretary 24 hours prior to any meeting for which such proxy is applicable. At that time, the said proxy shall only apply to the question or election before the membership. Voting by proxy shall constitute presence of, or vote or action by, or written consent or dissent of such member.



(Article 4 Continued)

#### **Section 4.11 Judges of Election**

In advance of any meeting of members, the Board of Directors shall appoint judges of election, who need not be members, to act at such meeting or any adjournment thereof. If judges of election are not appointed, the presiding officer of any such meeting may, and on the request of any member, shall make such appointment at the meeting. No person who is a candidate for office shall act as a judge. Judges of Election shall determine the acceptability of proxy ballots received.

### **ARTICLE V - BOARD OF DIRECTORS**

#### **Section 5.1 General Powers**

The business and affairs of the organization shall be managed by the Board of Directors. In addition to the powers and authority expressly granted by these Bylaws, the Board may exercise all powers of the organization and do all acts that are not prohibited by applicable law, by the Articles of Incorporation or by these bylaws.

- 5.1.1 Standard of Care. Each Director must exercise corporate powers and perform corporate duties loyally, in good faith, in a manner such Director believes to be in the best interest of the corporation, and with reasonable care using the ordinary prudence that a person in similar position would use under comparable circumstances. Each Director may be held accountable and subject to disciplinary action by the corporation as permitted by state and federal law for failure to meet the necessary standard of care towards the corporation.

#### **Section 5.2 Number/Qualification**

The Board shall consist of at least six (6) and no more than fifteen (15) members elected by the members in accordance with 4.10 of these bylaws at the annual meeting of members of the organization or appointed by the board including a Position Director. A Position Director is an AACA Museum appointed liaison to the Museum of Bus Transportation's board with full voting rights whose term is determined by the appointed organization to permit the AACA Museum to appoint an Alternate Position Director commensurate with the conditions, and terms, that are provided to the Museum of Bus Transportation.

- 5.2.1 A candidate for the Board of Directors must be both a current member of the organization, and must have been a member for at least the prior year.

### **Section 5.3 Terms**

- 5.3.1 All directors shall serve his or her terms {or, when filling a vacancy, the unexpired portion of the term) or until his/her successors is elected and have qualified, provided that any director may be removed from office at any time for cause, by two-thirds vote of all board members. All directors shall serve three (3) year terms.
- 5.3.2 Vacancies in the Board may be filled by approval of the remaining directors. A vacancy in the Board of Directors exists when there are fewer Directors holding office than authorized in the articles of incorporation as a result of death, removal, resignation, or disqualification. A vacancy may be filled by majority approval of the remaining Directors, although this may be less than a quorum or by a sole remaining Director.
- 5.3.3 Resignation. Any Director may resign effective upon giving written notice to the Secretary unless the notice specifies a later time for that resignation to become effective.
- 5.3.4 Removal. Any Director or the entire Board of Directors may be removed, with or without cause, by holders of a majority of members' interests then entitled to vote unless otherwise restricted by law, the articles of incorporation, or the bylaws.
- 5.3.4.1 However, no Director may be removed without cause if the votes cast against the Director's removal would be sufficient to elect the Director under cumulative voting at an election of the entire Board of Directors.
- 5.3.4.2 No reduction of the authorized number of Directors pursuant to the articles of incorporation may have the effect of removing any Director before the Director's term of office expires.

### **Section 5.4 Board Meetings**

Regular meetings of the Board shall be held at such time and place as the Board may from time to time determine but no less than (four (4) times) per year. Specials Meetings of the Board may be called at any time by the President or a majority of the directors

(Article 5 Continued)

### **Section 5.5 Notice of Board Meetings**

Written notice of the time and place of all meetings of the Board shall be delivered to each director at least ten (10) days prior to the date of such meeting {unless a longer period of notice is required by applicable law of the Articles of Incorporation or by these Bylaws) and, in the case of special meetings, shall state the general nature of the business to be transacted, except where no written notice is required as in the case of regular meetings where the date, time and place has been determined in advance by the Board. Written notice shall be delivered personally, by mail or electronically. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail postage prepaid, addressed to the designated director at such director's most recent address listed in the records of the organization.

- 5.5.1 Record Date. For the purposes of determining the notice of any meeting, to vote, or for any proper purposes or corporate action, the Board of Directors may fix a record date in advance no less than ten (10) nor more than sixty (60) days before the date of the meeting or proposed corporate action.

### **Section 5.6 Quorum for Board Meetings**

A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board, unless a greater quorum is required by applicable law, by the Articles of Incorporation or by these Bylaws. A quorum shall consist of at least one-half of eligible Board Members.

### **Section 5.7 Voting at Board Meetings**

Each director shall be entitled to one vote and be present to vote on any matter submitted to a vote of the Board. The acts approved by the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be acts of the Board, unless a greater proportion of affirmative votes are required by applicable law, by the Articles of Incorporation, or by these bylaws.

- 5.7.1 Telephonic, Video or Electronic Transmission of Meetings. Unless otherwise restricted by law, the articles of incorporation, or the bylaws, members of the Board of Directors and any committee designated by the Board of Directors may participate in any meeting by means of conference telephone, video communication, or other electronic transmission methods so long as all Directors

(Article 5 Continued)

or committee members can hear each other and have the capacity to propose or object to specific actions proposed to be taken by the corporation.

#### **5.8 Special Meetings.**

Special meetings of the Board of Directors may be held for any purpose at any time by the Chairman of the Board, the President, any Vice President, the Secretary, or any two Directors.

#### **5.9 Notice of Special Meetings.**

Notice of the time and place for special meetings must be given at least four (4) days before the date set for the meeting. Notice may be given personally, by first-class mail, by telephone (including voice messaging system), by facsimile, by electronic mail, or by any other means as permitted by law. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive office of the corporation.

#### **5.10 Waiver of Notice.**

Any deficiency in the notice of a Board meeting can be waived by attending the meeting without objecting at the commencement of the meeting, by written waiver before or after the meeting filed with the corporate records, or by an approval of the minutes of the meeting.

#### **5.11 Quorum and Voting**

5.11.1 A majority of the total number of Directors constitute a quorum for the transaction of business at a Board meeting. The act of a majority of Directors present at any Board meeting where a quorum is present will be considered the act of the Board of Directors, except as may otherwise be provided by law or by the articles of incorporation.

5.11.2 If a quorum is not present at any meeting of the Board of Directors, the Directors present may adjourn the meeting without notice other than an announcement at the meeting until a quorum is present.

5.11.3 A meeting where a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the number of Directors required to constitute a quorum for that meeting.

(Article 5 Continued)

#### **5.12 Directors Acting by Unanimous Written Consent without Meeting.**

Unless otherwise restricted by the articles of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or committee consent in writing or by electronic transmission. A record of the unanimous written consent must be filed with the corporate records. Notwithstanding the foregoing, a Board of Directors constituting less than the full number of authorized Directors may act by written consent according to procedures established herein to fill vacancies.

### **ARTICLE VI – OFFICERS**

#### **Section 6.1 Officers Generally; Election**

- 6.1.1 The bi-annual organizational meeting 'Of the Board for, among other purposes, the election of Officers of the organization shall be (Proposed to remove: held at such time/place as the Board may from time to time determine and at the first meeting of the New Year. This will be starting January 2019 and every odd year after that.
- 6.1.2 The officers of the organization shall be a President (Board Chair), a Vice-president (Board Vice Chair), a Secretary, and a Treasurer and such other officers as the Board deems desirable. Any two or more offices may be held by the same person. In addition to the powers and duties set forth in these Bylaws, each officer shall have such powers and duties as are usually related to his office and as the Board shall determine by resolution. All officers shall hold office for a term of two years and shall be eligible for reelection to successive terms.

#### **Section 6.2 President (Board Chair)**

The President shall be the chief executive officer of the organization and shall control and manage its property, business, and affairs, subject to the policies and directions of the Board. At the direction of the Board, the President, who shall be known and addressed as Board Chair, shall direct that all accounts of the Museum be reviewed or audited at least once per year by a certified public accountant and shall transmit such audit report to the Board. The President, who shall be known and addressed as Board Chair, shall preside at all meetings of the members

(Article 6 Continued)

and at all meetings of the Board, and shall have general supervision over the other officers' subject, however, to the control of the Board of Directors. The President who shall be known and addressed as the Board Chair, may delegate to another officer such authority, as he/she deems necessary.

### **Section 6.3 Vice President (Board Vice Chair)**

The Vice President, who shall be known and addressed as the Board Vice Chair, shall perform such duties as may be assigned to them by the President, subject to the policies and directions of the Board and shall stand in for the President (Board Chair) in his absence.

### **Section 6.4 Secretary**

The Secretary shall keep the minutes of all meetings of the Board and shall have charge and custody of the seal and records of the board and the organization. The Secretary shall stand in for the President (Board Chair) in the absence of the President (Board Chair) and Vice President. (Vice Chair)

### **Section 6.5 Treasurer**

The Treasurer shall have charge and custody of all funds of the organization, shall maintain an accurate accounting system and shall present financial report to the Board in such manner and form as the Board may from time to time determine. The Treasurer shall stand in for the President (Board Chair) in the absence of the President, (Board Chair) Vice President, (Vice Chair) and Secretary.

### **Section 6.6 Subordinate Officers and Tenure.**

The Museum may also have, at the discretion of the Board of Directors, one or more Vice Presidents and such other subordinate officers as may be appointed and removed by the President as the business of the corporation may require. Subordinate officers have such authority and will perform such duties as are provided in the bylaws or as the Board of Directors may determine from time to time. Additionally, in the absence or disability of the principal officer for which they assist and support, the subordinate officers will perform all the duties and have all the powers and restrictions of their principal officer.

(Article 6 Continued)

### **Section 6.7 Standard of Care.**

Each principal and subordinate officer must exercise corporate powers and perform corporate duties loyally, in good faith, in a manner such officer believes to be in the best interest of the corporation, and with reasonable care using the ordinary prudence that a person in similar position would use under comparable circumstances. Each officer may be held accountable and subject to disciplinary action by the corporation as permitted by state and federal law for failure to meet the necessary standard of care towards the corporation.

### **Section 6.8 Removal and Resignation**

- 6.8.1 Principal Officer. Subject to any contractual employment rights that the principal officer may have, any principal officer may be removed, with or without cause, by majority of the Directors at the time in office at any regular or special meeting of the Board.
- 6.8.2 Subordinate Officer. Subject to any contractual employment rights that a subordinate officer may have, any subordinate officer may be removed by the President, with or without cause, as the business of the corporation may require.

### **Section 6.9 Vacancies in Office.**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause must be filled in the manner described in the bylaws for regular appointments to such office.

## **ARTICLE VII - COMMITTEES**

### **Section 7.1 Executive Committee**

- 7.1.1 The Executive Committee consists-of at least the Officers, which shall have and exercise the authority of the Board of Directors in the management of the organization when the board cannot meet on matters; provided, however, that the executive committee shall not: have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; elect, appoint or remove any member of the executive committee or any director or officer of the organization; amend the articles of incorporation; adopt a plan of merger or adopting a plan of consolidation with another organization; authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the organization; authorize the voluntary dissolution of the organization or revoking proceedings therefore; or adopt a plan for the distribution of the assets of the organization.
- 7.1.2 The Executive Committee shall have the same authority as the Board of Directors in making decisions on any issue that must be acted upon before there is an opportunity to conduct a regular Board Meeting. However, this Committee is expected not to take action on any issue that can be reasonably deferred until there is an opportunity for the Board of Directors to meet on the subject. Any meeting of the Executive Committee requires that a majority of its appointed members attend, and any action taken requires an affirmative vote of a majority of the members in attendance. The need for, and the time and place for such meetings of the Executive Committee shall be determined by the President. Members may participate by attending in person, or participating by telephone conference. To conduct a meeting, a majority of the appointed members needs to be available, and any decisions made by the Committee require the affirmative vote of a majority of the members in attendance. Any Executive Committee Decision must be ratified at the next board meeting.



(Article 7 Continued)

- 7.1.3 The President (Board Chair) may recommend appointment of other members to serve on the Executive Committee, in addition to the officers, including the proposed term of these appointments. The Board of Directors must approve the proposed appointments, and appointment terms before they can become effective.

## **Section 7.2 Other Committees**

- 7.2.1 Other committees not having and exercising the authority of the Board of Directors in the management of the organization may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, the President in consultation with the Board shall appoint the committee chairman, therefore who shall be authorized to appoint members thereto. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the organization shall be served by such removal. The President shall serve as an ex-officio member of each committee.
- 7.2.2 Any member who has an interest in the activities of any Committee may participate as an Ex-officio member, as long as the Committee Chairman has been notified in advance of the Committee meeting. Ex-officio Committee members are not entitled to vote, and may not be counted in determining whether the minimum required number of members are present to constitute a quorum.

## **Section 7.3 Quorum**

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum (of appointed members) is present shall be the act of the committee.

## **Section 7.4 Advisors**

Members, who have and interest experience and expertise on a specific subject and/or activity, may be appointed to serve as an Advisor by the President. The individual may serve in this capacity until the President (Chair) determines that there no long is a need for this position, or the individual terminates their membership

**ARTICLE VIII -INDEMNIFICATION OF DIRECTORS AND OFFICERS AND LIMITATION OF  
DIRECTORS' PERSONAL LIABILITY**

**Section 8.1 Indemnification of Directors and Officers**

- 8.1.1 The organization shall indemnify to the fullest extent required by law, and may indemnify or agree to indemnify to the fullest extent permitted by law, any person who was or is a part, or is threatened to be made a part, to any threatened, pending, or contemplated action, suit or proceeding whether civil, criminal, administrative or investigative (including, but not limited to, court costs, attorneys' fees and any amount paid in any settlement), by reason of that person's being or having been a director, officer, employee, or agent of the organization or of any other enterprise at the request of the organization. Notwithstanding the foregoing, the organization has no obligation to purchase insurance on behalf of any person who is or was a director, officer, employee or agent of the organization against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such. Such insurance may be provided by the organization at the sole discretion of the Board of Directors. Such indemnification as set forth in this paragraph shall not impair any other right any such person may have.
- 8.1.2 Said indemnification shall be made only if a determination has been made, with the advice of counsel of the organization, by members of the Board of Directors not involved in the claim or proceeding, or by a disinterested person or persons named by said members of the Board of Directors not involved in the claim or proceeding, or by the members, or by independent legal counsel in a written opinion: that the director, officer, employee or agent acted or failed to act, and in either case, in good faith, and in a manner he reasonably believed to be in, or not opposed to, the best interest of the organization and with respect to any criminal act or proceeding, had no reasonable cause to believe his conduct was unlawful; and that the amount of the proposed indemnification is reasonable; and that the proposed indemnification is just and proper and can be legally made by the organization under then existing law; and that the indemnification shall be made by the organization in an amount stated in the determination; provided, however that the indemnification provided for here in shall

(Article 8 Continued)

not be available if the act or failure to act giving rise to the claim for indemnification has been determined by a court to have constituted willful misconduct or recklessness.

### **Section 8.2 Limitation or Directors' Personal Liability**

No director shall be personally liable for monetary damages as such for any action taken or any failure to take any action, unless:

- 8.2.1 The director has breached or failed to perform the duties of his office relating to the standard of care and justifiable reliance as set forth in Section 8.3 of this Article; and
- 8.2.2 The breach of failure to perform constitutes self-dealing, willful misconduct or recklessness, provided, however, that the provisions of this section shall not apply to (1) the responsibility of liability of a director pursuant to any criminal statutes; or 92) the liability of a director for the payment of taxes pursuant to local, state, or federal law.

### **Section 8.3 Standard of Care of Directors and Justifiable Reliance by Directors**

- 8.3.1 A director shall stand in a fiduciary relation to the organization and shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interest of the organization; and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would be under similar circumstances. In performing his duties, a director shall be entitled to rely in good faith on information, opinions, report or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: one or more officers or employees of the organization whom the director reasonably believes to be reliable and competent in the matters presented; counsel, public accountants or other persons as to matters to which the director reasonably believes to be within the professional or expert competence of such person; a committee of the Board upon which he 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.

(Article 8 Continued)

8.3.2 A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted. In discharging of the duties of their respective positions, the Board of Directors, committees of the Board, and individual directors may, in considering the best interest of the organization, consider the effects of any action upon employees, upon suppliers and customers of the organization and upon communities in which offices or other establishments of the organization are located; and other pertinent factors. The consideration of those factors shall not constitute a violation of the foregoing duties of the directors as set forth herein. 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 interest of the organization.

#### **Section 8.4 Advance Payment of Expenses**

Expenses incurred by an officer, director, employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the organization in advance of the final disposition of such action, suit or proceeding upon receipt of an underrating by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the organization.

#### **Section 8.5 Insurance or Indemnification Fund**

The organization shall have the power to buy and maintain insurance and to establish and fund a self-- insurance indemnification reserve fund on behalf of the directors, officers, employees and agents of the organization and a person serving at the request of the organization as a director, officer, employee or agent of another organization, against liability incurred in any such capacity, or arising out of his status as such.

#### **Section 8.6 Validity**

The invalidity of any portion of this Article Eight shall not affect the validity of the remainder hereof.

#### **Section 8.7 Contract Rights; Amendment or Repeal**

All rights to indemnification under this Article Eight shall be deemed a contract between the organization and the persons to be indemnified under this Article Eight pursuant to which the

(Article 8 Continued)

organization and each such person intend to, be legally bound. Any repeal, amendment, or modification of this Article shall be prospective only and shall not affect any rights or obligations then existing.

### **Section 8.8 Applicable Statutes.**

Without limiting any of the foregoing in this Article Eight, any officer, Director, employee or servant of the organization shall be entitled to indemnification from liability to the fullest extent permitted under Subchapter D of the Nonprofit Organization Law of 1988, and where applicable, subject to the lower standard of care for personal liability in accordance with 41 Pa. C.S.A. Section 8332.2 for representatives of a nonprofit organization under Section 501(c)(3) of the Internal Revenue Service of 1954.

### **Section 8.9 Conflict of interest**

8.9.1 Conflicts of Interest. The following conflict of interest policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations and is not intended as an exclusive statement of responsibilities. All Directors or officers have a duty to disclose the existence of any actual or potential conflict of interest, whether personal or financial in nature, and to disclose all relevant material facts to the Directors to enable them to consider whether a conflict exists and whether the proposed transaction or arrangement is in the best interests of the corporation. Upon disclosure of an actual or potential conflict of interest, and after the interested person has had a full opportunity to disclose the relevant facts, the interested person must leave the meeting and the remaining Board members will decide if a conflict of interest exists. Whenever the Board determines that a Director or officer has an actual or potential financial or personal interest in any matter coming before the Board of Directors, the Board must ensure the following:

8.9.1.1 The financial or personal interest of such Director or officer is fully disclosed with all relevant material facts to the Board of Directors;

8.9.1.2 No interested Director or officer may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting of the Board of Directors at which such matter is voted upon;

(Article 8 Continued)

8.9.1.3 Any transaction involving the Director's or officer's financial or personal interest must be duly approved by disinterested Directors in the best interest of the corporation;

8.9.1.4 Payment must be reasonable and must not exceed fair market value; and

8.9.1.5 The minutes of meetings at which such votes are taken must include a record of such disclosures, abstention, and rationale for approval.

## **ARTICLE IX - DISSOLUTION**

In the event of dissolution and after paying or making provision for the payment of all liabilities of the organization the organization shall dispose of all of the assets of the organization exclusively for the purposes of the organization in such manner, or to such organization or organizations organized and operated exclusively for governmental, charitable, educational, or religious purposes as shall at the time qualify as an organization entitled to charitable contributions under Section 170(c)(1) or as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal Revenue Law), as the Board of Directors shall determine. Any assets not disposed of shall be disposed by the court with jurisdiction over the organization where the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purpose.

Except as otherwise provided by statute or the articles of incorporation, the nonprofit may be dissolved only with authorization of a supermajority (2/3rd) vote of the members given at a meeting called for that specific purpose.

Upon dissolution of the nonprofit, assets will be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code, or will be distributed to the federal government or to a state or local government, for a public purpose.

## **ARTICLE X - AMENDMENTS**

These by-laws may be altered, amended, repealed or decided to by an affirmative vote of not less than two- thirds (2/3) of the Directors in office.

### **Section 10.1 Amendments to Bylaws**

Amendment by Members. Members may adopt new bylaws or amend or repeal these bylaws by a two-thirds (2/3) majority vote; or a written consent of holders of outstanding shares having no less than the minimum number of votes that would be necessary to take action in a meeting where all shares entitled to vote were present and voted. Notwithstanding the section above, nothing in the new bylaws or amended bylaws may contradict any terms of the articles of incorporation. Amendment by Directors. Subject to law and the foregoing rights of members to adopt, amend, or repeal the bylaws, and to any other legal provisions, the bylaws may be adopted, amended, or repealed by the Board of Directors.

## **ARTICLE XI – FINANCIAL REPORTS**

At the discretion of the Board, the Chair of the Board shall have general responsibility for the financial transactions of the organization and shall direct that all accounts of the organization be reviewed or audited at least once per year by a certified public accountant and shall transmit such report to the Board. The Treasurer shall also present a monthly financial report to the Board of Directors, showing in appropriate detail the following:

**Section 11.1** The assets and liabilities, including the trust funds, of the Museum as the end of the fiscal year immediately preceding the date of the report.

**Section 11.2** The principle changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.

**Section 11.3** The revenue or receipts of the organization both the unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report including separate data with respect to each trust fund held by or for the Museum

**Section 11.4** The expenses or disbursements of the organization, for both general and unrestricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Museum.

(Article XI Continued)

**Section 11.5** The financial report shall be filed with the minutes of the meeting of the Board of Directors

## **ARTICLE XII-GOVERNING LAW**

The bylaws will be governed, construed, and interpreted by, through, and under the laws of the State of Pennsylvania.