

BYLAWS
OF
CHAUTAUQUA PROPERTY OWNERS
ASSOCIATION, INC.

PREAMBLE

The following Bylaws shall be subject to, and governed by, the Non-Profit Corporation Act of New York and the Certificate of Incorporation of Chautauqua Property Owners Association, Inc. If there is a direct conflict between a provision of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act of New York, the Non-Profit Corporation Act shall be the prevailing controlling law. If there is a direct conflict between any provision of these Bylaws and the Certificate of Incorporation of the Corporation, the Certificate of Incorporation shall be the prevailing controlling law.

ARTICLE 1 - NAME

The legal name of the Non-Profit Corporation is Chautauqua Property Owners Association, Inc. (the "Corporation").

ARTICLE 2 - PURPOSE

The general purposes for which this Corporation has been established are as set forth in the attached Certificate of Incorporation and as follows:

2.1. The Corporation is established within the meaning of IRS Publication 557 Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code") or the corresponding section of any future federal tax code and shall be operated exclusively to promote and advance the interests of the property owners within the Chautauqua Institution, including, without limitation, by contributing funds to the Chautauqua Institution to be used to improve and maintain the facilities within the Chautauqua Institution or Chautauqua Lake, community gardens, and other facilities for the enjoyment of the property owners; by establishing a website, conducting seminars, and distributing a newsletter and other communications to provide information concerning ways to improve the quality of Chautauqua Lake, and assistance in complying with Chautauqua Institution architectural and other regulations; sponsoring picnics and other social gatherings; providing assistance to the Chautauqua Institution in developing and implementing its rules and regulations regarding land use, transportation, scheduling, programing, and safety; and to further the interests of the owners of property on the grounds of the Chautauqua Institution and, consistent with that objective, to further the interests of the Chautauqua Institution.

2.2. Additionally, the Corporation has been formed to perform all things incidental to, or appropriate in, the foregoing specific and primary purposes. Except to an insubstantial degree, the Corporation shall not engage in any activity or the exercise of any powers that are not in furtherance of its primary non-profit purposes.

2.3. The Corporation shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of New York and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Corporation. The Corporation shall not participate in any activities that have not been permitted to be carried out by a Corporation exempt under Section 501(c) of the Code.

ARTICLE 3 - MEMBERSHIP; DUES

3.1. Each person who pays dues in the current calendar year shall be a member of the Corporation.

3.2. The annual dues shall be set by the Board of Directors (the "Board"). Dues paid after October 1 are considered to be payment of dues for the next calendar year.

ARTICLE 4 - OFFICES

4.1. The principal office of the Corporation shall be at the home of the president of the Corporation.

4.2. The Corporation may have other offices as the Board may decide or consider necessary, or as the affairs of the Corporation may require.

ARTICLE 5 - DEDICATION OF ASSETS

The assets of the Corporation are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any person or any member, Director, or officer of the Corporation. On liquidation or dissolution, all remaining assets of the Corporation shall be distributed and paid over to an organization dedicated to non-profit purposes that has established its tax-exempt status pursuant to Section 501(c) of the Code.

ARTICLE 6 - BOARD OF DIRECTORS

6.1. ***General Powers and Responsibilities.*** The Corporation shall be governed by the Board, which shall have all the rights, powers, privileges, and limitations of liability of Directors of a non-profit corporation organized under the Non-Profit Corporation Act of New York. The Board shall establish policies and directives governing business and programs of the Corporation and, subject to the

provisions of these Bylaws, shall delegate to its officers or committees authority and responsibility to see that the policies and directives are appropriately followed.

6.2. ***Number and Qualifications.*** No person shall serve as a Director unless that person is a dues-paying member in good standing. The Board shall consist of the following:

i) The following officers: President, Vice President, Secretary, and Treasurer, and Corresponding Secretary.

ii) Ten area representatives. The geographical boundaries of each of the ten areas shall be as prescribed by the Board. Area representatives shall serve as liaisons between property owners and the Board (and through the Board to the Chautauqua Institution).

iii) The chair of POWR, during that chair's tenure as chair.

iv) A representative of such other organization that the Board considers advisable to choose as an *Ex-Officio Board Member*, who shall have the same rights and obligations, including voting power, as the other Directors.

v) Each of the four Class B Trustees of the Chautauqua Institution may serve as an *ex officio* Director with full voice but without vote.

6.3. ***Board Compensation.*** Board members shall receive no compensation other than for reasonable expenses. However, if the compensation structure complies with Sections relating to "Contracts Involving Board Members and/or Officers" as stipulated under these Bylaws, nothing in these Bylaws shall be construed to preclude any Board member from serving the Corporation in any other capacity and receiving compensation for services rendered if approved by the Board.

6.4. ***Board Elections.*** Directors shall be elected at the election meeting of the Board, which meeting shall take place during the Chautauqua Institution season and shall be on the date set by the President.

i) Officers shall be elected to serve a two-year term and may be re-elected for only one additional term in the same office, except that an officer may be re-elected after being out of office for one year. The Board may appoint Officers to fill any vacant unexpired terms. If an officer is appointed between annual meetings, that officer shall serve the balance of the unexpired term and may be elected for two additional consecutive full two-year terms. The President and Secretary shall be elected on even-numbered years and the Vice President, Treasurer, and Corresponding Secretary shall be elected on odd numbered years.

ii) Each Area Representatives shall be elected to a two-year term and may be re-elected for only one additional term in the same office, except that an area

representative may be re-elected to the same office after being out of that office for one year. Representatives of odd-numbered areas shall be elected on odd numbered years and representatives of even-numbered areas shall be elected on even-numbered years.

iii) Terms of newly elected Directors shall begin on October 1.

iv) The Board may appoint Directors to fill any vacant unexpired terms. Any Director so appointed shall serve the balance of the unexpired term and may be elected to that position for up to two additional two-year terms.

6.5. ***Vacancies.*** A vacancy on the Board shall exist upon the occurrence of any the following conditions:

i) The death, resignation, or removal of any Director;

ii) The declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty pursuant to the Corporation Code and/or Act of the law dealing with the standards of conduct for a Director;

iii) An increase in the authorized number of Directors; or

iv) The failure of the Directors, at any annual or other meeting of Directors at which Directors are to be elected, to elect the full authorized number of Directors.

Any vacancy on the Board may be filled by vote of a two-thirds majority of the voting Directors, then in office, whether or not the number of Directors then in office is less than a quorum, or by vote of a sole remaining Director. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

6.6. ***Resignation.*** Except as provided in this paragraph, any Director may resign effective upon giving written notice to the president of Corporation, the secretary of Corporation, or the Board, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be elected to take office upon the effective date of the resignation. Unless the Attorney General of New York is first notified, no Director may resign when the Corporation would then be left without a duly elected Director in charge of its affairs.

6.7. **Removal.** A Board member may be removed, with or without cause, at any duly constituted meeting of the Board, by the affirmative vote of a two-thirds majority of then-serving Board members.

6.8. **Meetings.** The Board's regular meetings shall be held at such time and place as shall be determined by the Board. The President or any 10 regular Board members may call a special meeting of the Board with seven days' written notice given to each member of the Board. The notice shall be delivered to each Board member via hand delivery, regular mail, email, fax, or by any other common electronic communication reasonably likely to be delivered to the Board members. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any special meeting of the Board. All Board meeting shall be conducted under the *Modern Rules of Order* as published by the American Bar Association. A quorum for any meeting of the Board shall be a majority of the voting Directors then in office. Notice of a meeting may be waived before, at, or after any meeting, and the presence of any Director at any meeting shall constitute waiver of notice as to such Director. Directors may participate in meetings (a) in person or (b) electronically by any means where those in person and the Director participating electronically can hear one another.

6.9. **Minutes.** The Secretary shall be responsible for the recording of all minutes of each meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. If the Secretary is unavailable, the Chair of the Board shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings, which shall be delivered to the Corporation to be placed in the minute books. A copy of the minutes shall be delivered to each Board member via either regular mail, hand delivered, emailed, or faxed within 30 days after the close of each Board meeting.

6.10. **Action by Written Consent.** Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all voting Board members. The number of voting Directors in office must constitute a quorum for an action taken by unanimous written consent. Such consent shall be placed in the minute book of the Corporation and shall have the same force and effect as a unanimous vote of the Board taken at an actual meeting. The Board members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

6.11. **Quorum.** At each meeting of the Board or Board Committees, the presence of over 50% of the then-serving Board voting members (or voting Board Committee members, as the case may be) shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of

members and a vote results in a tie, then the vote of the Chair of the Board shall be the deciding vote. The act of the majority of the Board members serving on the Board or Board Committees and present at a meeting in which there is a quorum shall be the act of the Board or Board Committees, unless otherwise provided by the Certificate of Incorporation, these Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the voting Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board or Board Committees if, during the meeting, he or she is present via telephone or web conferencing with the other Board members participating in the meeting.

6.12. **Voting.** Each voting Board member shall have only one vote.

6.13. **Proxy.** Board members shall not be allowed to vote by written proxy.

6.14. **Board Member Attendance.** An elected Board member who is absent from three consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the President his/her commitment to the Corporation. The Board may deem a Board member who has missed three consecutive meetings without such a reevaluation with the President to have resigned from the Board.

ARTICLE 7 - OFFICERS

7.1. **Officers and Duties.** The Board shall elect officers of the Corporation which shall include a President (who shall also act as Chair of the Board) a Vice President, a Secretary, a Treasurer (Chief Financial Officer), a Corresponding Secretary, and such other officers as the Board may designate by resolution. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the President. In addition to the duties in accordance with this Article, officers shall conduct all other duties typically pertaining to their offices and other such duties which may be required by law, the Certificate of Incorporation, or by these Bylaws, subject to control of the Board, and they shall perform any other such additional duties that the Board may assign to them at their discretion.

The officers shall be elected by the Board at its annual meeting, and shall serve the needs of the Board, subject to all the rights, if any, of any officer who may be under a contract of employment. Therefore, without any bias or predisposition to the rights of any officer that may be under any contract of employment, any officer may be removed with or without cause by the Board. All officers have the right to resign at any time by providing notice in writing to the President, and/or Secretary of the Corporation, without bias or predisposition to all rights, if any, of the Corporation under any contract to which said officer is a part thereof. All resignations shall become effective upon the date on which the written notice of resignation is received or at any time later as may be specified within the resignation; and unless otherwise indicated within the written notice, a stated

acceptance of the resignation shall not be required to make the resignation effective.

The vacancy in any office because of death, resignation, disqualification, removal, or for any other cause, shall be filled in accordance with these Bylaws for regular appointments to the office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board.

7.2. **President**. The President:

i) shall preside over all meetings of the Board and the Executive Committee;

ii) is authorized to execute, in the name of the Corporation, any contracts or other documents which may be authorized, either generally or specifically, by the Board to be executed by the Corporation;

iii) subject to the control, advise and consent of the Board, shall generally supervise and conduct all activities and operations of the Corporation;

iv) shall keep the Board completely informed, shall freely consult with them in relation to all activities of the Corporation, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The Board may place the President under a contract of employment where appropriate.

v) is empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board;

vi) shall be responsible for the hiring and firing of all personnel, and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies which may be adopted and implemented by the Board;

vii) at all times, is authorized to contract, receive, deposit, disburse and account for all funds of the Corporation, to execute in the name of the Corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation, and to negotiate any and all material business transactions of the Corporation.

7.3. **Vice President**. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President shall perform all the duties of the President, and in doing so shall have all authority and powers of, and shall be subject to all of the restrictions on, the President.

7.4. **Secretary**. The Secretary, or his/her designee, shall be the custodian of all records and documents of the Corporation, which are required to be kept at the principal office of the Corporation, and shall act as secretary at all meetings of the Board, and shall keep the minutes of all such meetings on file in hard copy or

electronic format. S/he shall attend to the giving and serving of all notices of the Corporation and shall see that the seal of the Corporation, if any, is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

7.5. **Treasurer**. The Treasurer shall:

i) keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the assets and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

ii) ensure the deposit of, or cause to be deposited, all money and other valuables as may be designated by the Board. Furthermore, the Treasurer shall disburse, or cause to be disbursed, the funds of the Corporation, as may be ordered by the Board, and shall render to the President and Directors, whenever they reasonably request it, an account of all the Treasurer's transactions as treasurer and of the financial condition of the Corporation.

7.6. **Corresponding Secretary**. The Corresponding Secretary shall send written or electronic correspondence to members as directed by the President or the Communications Committee.

ARTICLE 8 - COMMITTEES

8.1. **Committees of Directors**. By resolution, the Board may designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of two or more Directors, and may also include persons who are not Directors but who the President believes to be reliable and competent to serve on the specific committee. Committees exercising any authority of the Board may not have any non-Director members.

8.2. **Advisory Committees**. The Board may also designate one or more advisory committees that do not have the authority of the Board. Advisory committees may include members who are not Directors.

8.3. **Appointment of Committee Members; Committee Limitations**. The President shall appoint the committee members, subject to Board approval. No committee, regardless of Board resolution, may:

i) Approve of any action that, pursuant to applicable law, would also require the affirmative vote of the Board.

ii) Fill vacancies on, or remove the members of, the Board or any committee that has the authority of the Board.

iii) Amend or repeal the Certificate of Incorporation or Bylaws or adopt new Bylaws.

iv) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable.

v) Appoint any other committees of the Board or committee members.

vi) Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or a plan for the sale, lease, or exchange of all or considerably all of the assets of the Corporation otherwise than in the usual and regular course of its business; or revoke any such plan.

vii) Approve any self-dealing transaction, except as provided pursuant to law.

viii) Unless otherwise authorized by the Board, no committee shall compel the Corporation in a contract or agreement or expend Corporation funds.

8.4. ***Meetings and Actions of Committees***. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 6 - Board of Directors of these Bylaws concerning meetings and actions of the Directors, with such changes in the context of these Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any committee and shall be filed with the Corporation records. The Board may adopt rules not consistent with the provisions of these Bylaws for the governance of any committee.

8.5. ***Standing Committees***. Notwithstanding any other provision in these Bylaws, the following standing committees shall be appointed:

i) ***Executive Committee***. There shall be an Executive Committee composed of the President, the Vice President, the Secretary, the Treasurer, and Corresponding Secretary. Unless limited by resolution of the Board, the Executive Committee shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board, provided, however, that the Executive Committee shall not have the authority of the Board in any matter expressly requiring Board approval.

ii) ***Finance, Budget, and Audit Committee (“Finance Committee”)***. The Finance, Committee shall consist of the President, the Treasurer, two other board members, one property owner who is not a Board member, and one staff person from the Chautauqua Institution. The Treasurer shall not chair the committee. The committee shall review and shall monitor

the Corporation's finances and internal controls, tax compliance, and insurance coverage and shall review and recommend to the Board approval of an annual budget. The members of the committee shall be appointed by the President and approved by the Board.

iii) **Nominating Committee**. The Nominating Committee shall consist of the Vice President, the chair of POWR, two other Board members, and one property owner who is not a Board member. One Class B Trustee (who shall have no vote) may also be appointed to serve on the committee. The Nominating Committee shall present nominations for new and renewing Officers and Board members at the election meeting of the Board. Written recommendations from the Nominating Committee shall be presented to the Board at least 7 days before the election meeting, unless that period is waived by the Board. The Board may approve the nominees.

In its sole discretion, the Nominating Committee may also encourage members to submit names for nomination as Chautauqua Institution Class B trustee. The candidate must be a current dues-paying member of the Corporation to be considered for nomination by the Corporation. The committee shall propose a candidate to the Board. If approved by the Board, the nominee shall be presented at the annual meeting of Chautauqua Institution. A notice stating the name and qualifications of the Corporation's nominee shall be published in the Chautauqua Daily not less than seven days before the election.

iv) **Communications, Marketing, and Branding Committee ("Communications Committee")**. The Communications Committee shall coordinate all communications from the Board to the members, as directed by the Board from time to time. The Secretary shall chair the Communications Committee.

v) **Property Owners Who Rent ("POWR")**. The President shall appoint the chair of POWR from among the members who both own property in the Chautauqua Institution and that rent the property during at least part of the Chautauqua Institution season. The chair of POWR shall be an *ex officio* Director with voice and full power to vote. Unless the chair of POWR otherwise holds office as an officer or as an elected Director, the chair's position as Director shall cease immediately upon his/her no longer being the chair of POWR.

ARTICLE 9 - STANDARD OF CARE

9.1. **General**. A Director shall perform all the duties of a Director, including, but not limited to, duties as a member of any committee of the Board on which the Director may serve, in such a manner as the Director deems to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances. In the performance of the duties of a Director, a

Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

i) One or more officers or employees of the Corporation whom the Director deems to be reliable and competent in the matters presented;

ii) Counsel, independent accountants, or other persons, as to the matters which the Director deems to be within such person's professional or expert competence; or

iii) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director deems to merit confidence, so long as in any such case the Director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in this Article, any person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limitation of the following: any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

9.2. **Loans.** The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer, unless approved by the New York Attorney General; provided, however, that the Corporation may advance a *de minimus* amount of money to a Director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

9.3. **Conflict of Interest.** The purpose of the Conflict of Interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or Directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations/organizations and is not intended as an exclusive statement of responsibilities.

9.4. **Restriction on Interested Directors.**

i) **Definition of Interested Person.** Directors may be interested persons. An interested person is (1) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director; and

(2) any brother, sister, parent, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the interested person.

ii) ***Duty to Disclose.*** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors who are considering the proposed transaction or arrangement.

iii) ***Establishing a Conflict of Interest.*** After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

iv) ***Addressing a Conflict of Interest.*** If the Board establishes that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

(a) Any interested person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.

(b) The Chair of the Board of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the best interest of the Corporation, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

9.5. ***Violations of Conflict of Interest Policy.*** Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain

the alleged failure to disclose. If, after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

9.6. ***Procedures and Records.*** All minutes of the Board Meetings, when applicable, shall contain the following information:

i) The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

ii) The names of the persons who were present for discussions and any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

9.7. ***Acknowledgement of Conflict of Interest Policy.*** Each Director, principal officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person:

i) Has received a copy of the conflict of interest policy;

ii) Has read and understands the policy;

iii) Has agreed to comply with the policy; and

iv) Understands that the Corporation is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

9.8. ***Violation of Loyalty - Self-Dealing Contracts.*** A self-dealing contract is any contract or transaction (i) between this Corporation and one or more of its Directors, or between this Corporation and any corporation, firm, or association in which one or more of the Directors has a material financial interest ("Interested Director"), or (ii) between this Corporation and a corporation, firm, or association of which one or more of its Directors are Directors of this Corporation. Said self-dealing shall not be void or voidable because such Director(s) of corporation, firm, or association are parties or because said Director(s) are present at the meeting of the Board or committee which authorizes, approves or ratifies the self-dealing contract, if:

i) All material facts are fully disclosed to or otherwise known by the members of the Board and the self-dealing contract is approved by the

Interested Director in good faith (without including the vote of any membership owned by said interested Director(s));

ii) All material facts are fully disclosed to or otherwise known by the Board or committee, and the Board or committee authorizes, approves, or ratifies the self-dealing contract in good faith—without counting the vote of the interest Director(s)—and the contract is just and reasonable as to the Corporation at the time it is authorized, approved, or ratified; or

iii) As to contracts not approved as provided in above sections (a) and/or (b), the person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the Corporation at the time it was authorized, approved, or ratified.

iv) Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof, which authorizes, approves, or ratifies a contract or transaction as provided for and contained in this section.

9.9. ***Indemnification.*** To the fullest extent permitted by law, the Corporation shall indemnify its “agents,” as described by law, including its Directors, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” and including any action by or in the right of the Corporation, by reason of the fact that the person is or was a person as described in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

To the fullest extent permitted by law, and, except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification in defending any “proceeding” shall be advanced by the Corporation of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation, to the fullest extent permitted by law, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or to give other indemnification to the extent permitted by law.

ARTICLE 10 - EXECUTION OF CORPORATE INSTRUMENTS

10.1. ***Execution of Corporate Instruments.*** The Board may, at its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to

sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages, other evidences of indebtedness of the Corporation, other corporate instruments or documents, memberships in other corporations, and certificates of shares of stock owned by the Corporation shall be executed, signed, or endorsed by the President or Treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board shall authorize to do so.

10.2. **Loans and Contracts.** No loans or advances shall be contracted on behalf of the Corporation and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board. Without the express and specific authorization of the Board, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

ARTICLE 11 - RECORDS AND REPORTS

11.1. **Maintenance and Inspection of Certificate and Bylaws.** The Corporation shall keep at its principal office the original or a copy of its Certificate of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Directors at all reasonable times during office hours.

11.2. **Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns.** The Corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

11.3. **Maintenance and Inspection of Other Corporate Records.** The Corporation shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Corporation shall turn over to his or her successor or the Chair of the Board or President, in good order, such corporate/organization monies, books, records, minutes, lists, documents, contracts or other property of the Corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations/organizations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

11.4. **Preparation of Annual Financial Statements.** The Corporation shall prepare annual financial statements in such form as shall reasonably report the financial status of the Corporation. Because the financial position of the Corporation is relatively small, the use of generally accepted accounting principles is not required. Such statements shall be reviewed by the Audit Committee. The Corporation shall make these financial statements available to the New York Attorney General and members of the public for inspection no later than 90 days after the close of the fiscal year to which the statements relate.

11.5. **Reports.** The Board shall ensure an annual report is sent to all Directors within 90 days after the end of the fiscal year of the Corporation, which shall contain the following information:

- i) The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.
- ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- iii) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year.
- iv) The information required by Non-Profit Corporation Act concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

ARTICLE 12 - FISCAL YEAR

The fiscal year for this Corporation shall end on December 31.

ARTICLE 13 - AMENDMENTS AND REVISIONS

These Bylaws may be adopted, amended, or repealed by the vote of a two-thirds majority of the Directors then in office. Such action may be taken only at a duly called and held meeting of the Board for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these Bylaws. If any provision of these Bylaws requires the vote of

a larger portion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed other than by that greater vote.

ARTICLE 14 - CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Non-Profit Corporation Act, as amended from time to time, shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term “person” includes a Corporation as well as a natural person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.