

**BRETHREN HOUSING ASSOCIATION,**  
a Pennsylvania Nonprofit Corporation

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**AMENDED AND RESTATED BYLAWS, AS AMENDED**

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[Adopted by members on January 21, 2003;  
effective April 1, 2003, and amended January 15, 2013]

**Brethren Housing Association,**  
a Pennsylvania nonprofit corporation

**AMENDED AND RESTATED BYLAWS, AS AMENDED**  
[effective April 1, 2003 and as amended January 15, 2013 (Section 7-4)]

**ARTICLE I – NAME AND PURPOSE**

- 1-1. The name of this organization shall be the Brethren Housing Association (“BHA” or the “Corporation”). The Association is incorporated under the laws of the Commonwealth of Pennsylvania as a charitable and educational nonprofit corporation.
- 1-2. The purposes of BHA shall be as follows:
- (a) To help provide housing for low and very low income persons or families. This may include but is not limited to rehabilitation of existing buildings, providing emergency shelter, transitional housing, and low income housing.
  - (b) To help provide or coordinate counseling services and case management services to low income persons with housing needs.
  - (c) To help and assist low income individuals and families to develop resources to provide their own housing.
  - (d) To help educate others concerning housing and homelessness issues.

**ARTICLE II – VISION AND MISSION**

- 2-1. BHA’s vision is to offer low-income persons housing and opportunities for growth with Christ-like compassion and respect.
- 2-2. BHA’s mission is summarized as continuing the ministry of Jesus by working to help people out of homelessness and poverty. BHA’s ministries are designed to empower personal healing and growth, affirm the dignity and worth of each individual, build community awareness and foster collaboration with other community efforts.

**ARTICLE III – EXEMPT ORGANIZATION**

- 3-1. BHA is organized exclusively for charitable, religious, educational and scientific purposes, including for those purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding sections of any future federal tax code.

#### **ARTICLE IV – OFFICES**

- 4-1. The registered office of BHA shall be at 219 Hummel Street, Harrisburg, PA 17104 or at such other office as the Board of Directors may determine.
- 4-2. BHA may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of BHA may require.

#### **ARTICLE V – MEMBERS**

- 5-1. Membership shall consist of congregations affirming BHA's vision and mission which make a commitment to BHA and which have been accepted as members by the affirmative vote of a majority of the directors in office. The Board shall report promptly to the membership on the admission of new members.
- 5-2. Members, as such, shall not be entitled to vote directly on any matter. However, each member in good standing shall have the right to appoint two delegates to any BHA General Assembly held in accordance with Article VI hereof. Action by the BHA General Assembly on matters on which it is entitled to vote in accordance with these Bylaws shall satisfy any requirement of law for action on such a matter by members of a non-profit corporation.
- 5-3. There shall be no requirement to hold an annual meeting of members.
- 5-4. Members may resign at any time by written notice to BHA.
- 5-5. The Board of Directors, by affirmative vote of two-thirds of the directors in office, may terminate or suspend the membership of any member which, in the Board's judgment, has ceased to fulfill the expectations of BHA members in keeping with member guidelines adopted by the Board from time to time. For any such termination or suspension to be effective, the member and the directors must receive at least thirty (30) days prior written notice that suspension or termination of membership will be considered at the specified meeting of the Board of Directors and the member must be given the opportunity to be heard at the meeting.

#### **ARTICLE VI – BHA GENERAL ASSEMBLY**

- 6-1. Whenever a BHA General Assembly is called in accordance with this Article VI, it shall be held at 219 Hummel Street, Harrisburg, PA 17104 or at such other place or places within the Commonwealth of Pennsylvania as may from time to time be fixed by the Board of Directors.

- 6-2. A meeting of the BHA General Assembly may be called at any time by the Board of Directors or the Executive Committee of the Board. An annual BHA General Assembly shall not be required. Business transacted at a meeting of the BHA General Assembly shall be confined to the objects stated in the call of the meeting and matters germane thereto.
- 6-3. The following actions by BHA shall require approval by a BHA General Assembly, in addition to the approval or recommendation of the BHA Board of Directors as required by Section 7-10 of these Bylaws:
- (a) the amendment, repeal or adoption of BHA's Articles of Incorporation or Bylaws;
  - (b) the merger, consolidation, conversion or division of BHA; and
  - (c) the dissolution of BHA or the sale of all or substantially all of BHA's assets.

These are the only matters on which delegates to a BHA General Assembly shall be entitled to vote. Action by the BHA General Assembly on any other matter shall be advisory only.

- 6-4. Written notice of every BHA General Assembly, stating the time, place and object thereof, shall be given by, or at the direction of, the Secretary or the President, or other person designated by the Board or the Executive Committee, to each BHA member in good standing and to each person who at the time of the notice is either a BHA director or who has been designated as a delegate pursuant to Section 6-5(b) of these Bylaws, at least thirty (30) days prior to the day named for the meeting, unless a greater period of notice is required by statute in a particular case.
- 6-5. Delegates to a BHA General Assembly shall be as follows:
- (a) each BHA director in office immediately prior to the General Assembly shall be a delegate; and
  - (b) each BHA member may designate up to two (2) persons as delegates. The designation shall be in writing, shall be signed by the member's moderator, board chair or other authorized congregational representative, and shall be delivered to BHA prior to voting at the General Assembly. The member may either designate a specific official as a delegate (e.g., moderator, board chair, committee chair) or a specific individual. In the discretion of the person presiding at the meeting of the BHA General Assembly or by vote of the General Assembly, in the absence of a written designation by a member congregation, any two of the member congregation's officers may be recognized as delegates for that member.

- 6-6. Each delegate to a BHA General Assembly shall have one vote on any matter properly coming before the meeting. If a person designated as a delegate pursuant to Section 6-5(b) is also a director of BHA, that person shall have only one vote as a delegate. Except as otherwise provided by Section 6-6, action by the BHA General Assembly on any matter shall require the affirmative vote of a majority of the votes cast by the delegates on the matter.
- 6-7. A meeting of the BHA General Assembly duly called shall not be organized for the transaction of business unless a quorum is present. A quorum shall equal the presence, in person, of that number of delegates (including delegates who are directors) representing at least two-thirds of the number of directors then in office. For example, if there are 17 directors in office, a quorum of delegates would equal 12 delegates. The delegates present at a duly organized meeting of a BHA General Assembly may continue to do business until adjournment, notwithstanding the withdrawal of enough delegates to leave less than a quorum. If a General Assembly cannot be organized because a quorum has not attended, those present may, except as otherwise provided by statute, adjourn the BHA General Assembly to such time and place as they may determine. Those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those delegates who attend shall constitute a quorum for the purpose of acting upon such resolution or other matters, is given to each director, member of record and previously designated delegate at least ten (10) days prior to the day named for the second adjourned meeting.
- 6-8. The President shall preside at a meeting of the BHA General Assembly unless the Board of Directors appoints another person to do so.

## **ARTICLE VII – DIRECTORS**

- 7-1. The business and affairs of BHA shall be managed by its Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all other powers of the Corporation. Except for the matters specified in Section 6-3 hereof requiring approval of a BHA General Assembly any requirement of notice to, the presence of, or the vote, consent or action by members of a nonprofit corporation shall be satisfied by notice to, the presence of, or the vote, consent or action by the BHA Board of Directors.
- 7-2. The number of directors shall consist of not less than nine (9) nor more than seventeen (17) persons, the exact number to be determined from time to time by resolution of the Board of Directors. The directors as of the effective date of these amended and restated Bylaws shall be those persons serving as directors immediately prior to such date, who shall serve until the expiration of their respective terms and until their successors are elected and qualified or until their earlier resignation, death or removal.

- 7-3. Directors shall be elected for three year terms, provided, however, that the Board may designate at the time of election that the director's term shall be one, two or three years so that approximately one-third of the terms of the Board of Directors will expire each year at the annual meeting. Unless otherwise provided by the Board of Directors at the time an election occurs, a director's term shall commence immediately after the meeting at which the director is elected and the term of any director being replaced because of an expiring term shall end immediately after the meeting at which the director's successor is elected. Directors who are re-elected may serve an unlimited number of terms.
- 7-4. At least approximately two-thirds of the directors in office at the time of a director's initial election shall be persons who are determined by the Board of Directors to be affiliated with an Anabaptist-related congregation (i.e., Church of the Brethren, Brethren in Christ, or Mennonite); and at least approximately one-half of the directors in office at the time of a director's initial election shall be persons who are determined by the Board of Directors to be affiliated with a Church of the Brethren congregation. For purposes of these determinations, "directors in office" shall include the new director being elected. **[as amended January 15, 2013]**
- 7-5. An annual meeting of the Board of Directors shall be held on the third Tuesday of May in each year if not a legal holiday, and if a legal holiday, then on the next full business day following, at 7:00 p.m. o'clock, when they shall elect directors to succeed directors whose terms will be expiring, fill any other vacancies and transact such other business as may properly be brought before the meeting, including the election of officers as necessary. If the annual meeting of the Board of Directors shall not be called and held within six (6) months after the designated time, any two members of the Board of Directors may call such meeting. A nominating committee appointed by the Board of Directors shall be responsible for nominating persons for election as directors, in accordance with guidelines established from time to time by the Board of Directors. However, additional nominations may be accepted from the floor of a meeting at which directors are to be elected upon the affirmative vote of a majority of the directors present. In elections for directors, voting need not be by ballot unless otherwise determined by the Board of Directors or the President.
- 7-6. Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, may be filled by the Board of Directors at any meeting following the same procedures for nominations that apply to elections at annual meetings. When electing a person to fill a vacancy between annual meetings, the Board of Directors may designate the person elected to serve the remainder of the term of a director who is being replaced or may assign such one, two or three year terms as it deems appropriate to maintain terms that are staggered approximately evenly.
- 7-7. The meetings of the Board of Directors may be held at such time and at such place within this Commonwealth, or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated by the notice calling the meeting. Regular meetings of the Board of Directors shall be held on a schedule to be established by the Board of

Directors. Special meetings of the Board of Directors may be called upon proper notice by or at the direction of the Board of Directors, the President, or any three directors.

- 7-8. Written or personal notice of every meeting of the Board of Directors shall be given to each director at least ten (10) days prior to the day named for the meeting or such longer period as shall be required by law or these Bylaws; provided, however, that, except as provided in the following sentence, no notice shall be required of regularly scheduled meetings. Notice need not specify the business to be transacted at the regular or special meeting, except the notice must indicate when one of the purposes of the meeting is to consider removal of a director with cause pursuant to Section 7-16 or any of the matters requiring a two-thirds vote of directors in office as specified in Section 7-10 [7-9].
- 7-9. A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business and, unless otherwise required by law or these Bylaws, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Any action which may be taken at a meeting of the directors (or a committee of the Board) may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office (or on the committee) and shall be filed with the Secretary of the Corporation. The following actions shall require the affirmative vote of at least two-thirds of the directors in office:
- (a) termination or suspension of a BHA member pursuant to Section 5-5; or
  - (b) recommendation of the amendment, repeal or adoption of these Bylaws or the Articles of Incorporation of BHA in accordance with Section 17-1; or
  - (c) election of a director or removal of a director without assignment of any cause; or
  - (d) recommendation of a merger, consolidation, conversion or division of BHA; or
  - (e) recommendation of the dissolution of BHA or the sale of all or substantially all of BHA's assets.
- 7-10. The Board of Directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors. Any such committee, to the extent provided in the resolution of the Board of Directors or in the Bylaws, shall have and may exercise all of the powers and authority of the Board of Directors, except that no such committee shall have any power or authority as to the following:
- (a) the termination or suspension of a BHA member pursuant to Section 5-5; or

(b) the filling of vacancies on the Board of Directors or the removal of any director; or

(c) the recommendation to a BHA General Assembly of the adoption, amendment, or repeal of these Bylaws or the Articles of Incorporation or any other matters specified in Section 6-3 hereof as requiring approval of a BHA General Assembly; or

(d) the amendment or repeal of any resolution of the Board; or

(e) action on matters committed by these Bylaws or resolution of the Board of Directors to another committee of the Board.

- 7-11. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified members. Each committee of the Board (other than directors who are members of a committee by reason of office) shall serve at the pleasure of the Board.
- 7-12. The Executive Committee shall be a standing committee of the Board of Directors and shall be comprised of the President, Vice President, Secretary and Treasurer and such other directors as the Board may appoint. Subject to Section 7-11, the Executive Committee shall be authorized to exercise the powers of the Board of Directors in the interim between Board meetings except that, unless expressly authorized by the Board of Directors, the Executive Committee shall not have the power to take any action contrary to a direction established by the Board or to authorize a substantial change in the affairs, business or policy of the Corporation. The Executive Committee shall submit to the next meeting of the Board a report of actions taken.
- 7-13. The Board may, by resolution, establish advisory or task committees comprised of one or more directors and other persons who are not directors to assist the board with specific projects or aspects of the business of the corporation. Such advisory or task committees shall not be considered committees of the Board.
- 7-14. Committee meetings may be called upon one days notice and the notice need not specify the purpose of the meeting.
- 7-15. A director may be removed from office prior to the expiration of the director's term:
- (a) without assignment of any cause, by the affirmative vote of two-thirds of the directors in office; or

(b) if the director to be removed has failed to attend three (3) consecutive regularly scheduled meetings of the Board, by the affirmative vote of a majority of the directors in office; or

(c) if the director is declared of unsound mind by an order of court or is convicted of felony, or if within ninety days after notice of the director's election, the director does not accept such office either in writing or by attending a meeting of the Board of Directors, by the affirmative vote of a majority of the directors present at a meeting at which a quorum is present;

provided that for any of the actions specified in (a), (b) or (c) of this Section, a minimum of thirty (30) days prior notice shall be given to all directors in office, including the director or directors to be removed, that one of the purposes of the meeting shall be to vote upon removal of the specified director(s).

7-16. Directors shall receive no compensation for their services as directors.

#### **ARTICLE VIII -- OFFICERS**

8-1. The executive officers of BHA shall be chosen by the Board of Directors, and shall be a President, Vice President, Secretary, Treasurer, and such other officers, such as an Executive Director, and assistant officers, as the needs of the Corporation may require or the Board deems advisable. The President, Vice President and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. Officers shall hold their offices for a term of one year or such other term as the Board shall establish and until their respective successors are appointed and qualified or until their earlier death, resignation or removal, and shall have such authority and shall perform such duties as are provided by the Bylaws and as shall from time to time be prescribed by the Board of Directors. It shall not be necessary for the Secretary and the Treasurer to be directors. The Board of Directors may, in its discretion, secure the fidelity of any and all such officers by bond or otherwise.

8-2. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of BHA will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed.

8-3. The President shall be the chief executive officer of BHA, shall preside at all meetings of the directors and BHA General Assembly, shall have general and active management of the affairs of BHA and shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Board to delegate any specific powers, except such as may be by statute exclusively conferred on the president, to any other officer or officers of BHA. The President shall execute bonds, mortgages and other documents requiring a seal, under the seal of the corporation. The President shall have

the general powers and duties of supervision and management usually vested in the office of president.

- 8-4. The Vice President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he/she may be required to do from time to time.
- 8-5. The Secretary shall attend all sessions of the Board and act as clerk thereof, and record all the votes of the Corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the corporate seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it.
- 8-6. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to BHA, and shall keep the moneys of BHA in separate account to the credit of BHA. The Treasurer shall disburse the funds of BHA as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all financial transactions and of the financial condition of the Corporation.
- 8-7. The Executive Director shall be the chief operating officer of the Corporation. The Executive Director shall be subject to supervision by the Board of Directors and shall have such other powers and duties as shall be prescribed by the Board of Directors or these Bylaws.
- 8-8. If the position of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

#### **ARTICLE IX – BOOKS AND RECORDS**

- 9-1. BHA shall keep an original or duplicate record of the proceedings of the directors, the original or a copy of its Bylaws, including all amendments thereto to date, certified by the Secretary of BHA, and an original or a duplicate register of directors, giving the names of the directors, and showing their respective addresses and the term of office of each. BHA shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of BHA in this Commonwealth, or at its principal place of business wherever situated.

## **ARTICLE X – TRANSACTION OF BUSINESS**

- 10-1. Whenever the lawful activities of BHA involve among other things the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the corporation, and in no case shall be divided or distributed in any manner whatsoever among any members, directors or officers of the corporation. No part of the net earnings of the corporation or donations received by the corporation shall be distributed to or inure to the benefit of any director or officer of the corporation or any private individual.
- 10-2. All checks or demands for money and notes of the corporation shall be signed by the Treasurer or such other officer or officers as the Board of Directors may from time to time designate.
- 10-3. BHA shall not participate or intervene in (including the publication or distribution of statements) any political campaigns on behalf of any candidate for political office, nor shall BHA carry on propaganda or otherwise attempt to influence legislation.

## **ARTICLE XI – ANNUAL REPORT**

- 11-1. The Board of Directors shall present annually to the members a report, which may be or include the report of an independent certified or public accountant, showing in appropriate detail the following:
  - (a) The assets and liabilities, including the trust funds, of BHA as of the end of the fiscal year immediately preceding the date of the report.
  - (b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.
  - (c) The revenue or receipts of BHA, both 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 BHA.
  - (d) The expenses or disbursements of BHA, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for BHA.
  - (e) The number of members of BHA as of the date of the report, together with a statement of increase or decrease in such number during the year immediately preceding the date of the report, and a statement of where the names and addresses of the current members may be found.

This report shall be filed with the minutes of the meetings of the Board of Directors or BHA General Assembly, as appropriate.

## **ARTICLE XII -- NOTICES**

- 12-1. Whenever notice is required to be given to any person, in addition to any other means authorized by law, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid, or by overnight express delivery, charges prepaid, to the person's address appearing on the books of BHA. If the notice is sent by mail, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with an overnight or express delivery for transmission to such person. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these Bylaws. When a special meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken. Notice by facsimile or other electronic transmission (e.g., email) may be used to provide any required notice only if the person to be given the notice by facsimile or other electronic transmission has specifically authorized BHA to give notice of meetings by such means and to such facsimile number or electronic transmission address.
- 12-2. Whenever any notice is required to be given under the provisions of any statute or the Articles or Bylaws of BHA, a waiver thereof in writing, signed or authenticated by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.
- 12-3. Whenever the language of a proposed resolution is required to be included in a notice of a meeting under the provisions of the Articles of Incorporation or these Bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

## **ARTICLE XIII – MISCELLANEOUS PROVISIONS**

- 13-1. The fiscal year of BHA shall begin on the first day of April or such other day as the Board of Directors shall determine.
- 13-2. If authorized by the Board of Directors, committee of the Board or person presiding at a meeting of the BHA General Assembly, as applicable, one or more persons may participate in a meeting of the Board, any committee of the Board or a BHA General Assembly by means of conference telephone or similar communications equipment by

means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

- 13-3. The Board of Directors, by resolution, may authorize BHA to accept subventions from members or non-members on terms and conditions not inconsistent with the provisions of the Pennsylvania Nonprofit Corporation Law or any successor thereto, and to issue certificates therefor.
- 13-4. The BHA seal shall have inscribed thereon the name of the corporation, the year of its incorporation and the words "Corporate Seal, Pennsylvania."

#### **ARTICLE XIV – DISSOLUTION**

- 14-1. In the event of the entire or partial termination, dissolution or winding up of this Corporation in any manner or for any reason whatsoever, the assets of the Corporation which remain after payment or making provision for payment of all liabilities of the Corporation shall be distributed to, and only to, one or more organizations exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws.
- 14-2. Subject to Section 14-1, in distributing assets pursuant to this Article, the directors shall give priority to 501(c)(3) organizations active in the greater Harrisburg, Pennsylvania, area with programs or purposes in harmony with the purposes of the Corporation. If the Board of Directors, in its discretion, determines that distribution to such local organizations is not appropriate or advisable, assets to be distributed in accordance with this Article shall be distributed to the Atlantic Northeast District of the Church of the Brethren or its successor, provided the District or successor qualify under Section 14-1, for use in harmony with the stated purposes of the Corporation. If for any reason this District cannot accept these resources or its successor does not so qualify, then remaining assets shall be distributed to the General Board of the Church of the Brethren or its successor for similar uses, provided the General Board or its successor qualifies under Section 14-1. In the event that none of these organizations are able to accept or qualify, another organization meeting the criteria set forth in Section 14-1 shall be designated by the Board of Directors to receive said assets.

#### **ARTICLE XV – NON-DISCRIMINATION**

- 15-1. The services of the Corporation will be available to all persons who qualify without regard to race, color, national origin, sex, sexual orientation, marital status, age or religion.

**ARTICLE XVI – INDEMNIFICATION OF DIRECTORS AND OFFICERS  
AND LIMITATION OF DIRECTORS’ PERSONAL LIABILITY**

**16-1. Indemnification of Directors and Officers.**

(a) The Corporation 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 party, or is threatened to be a party, to any threatened, pending, or contemplated action, suit, or proceeding whether civil, criminal, administrative or investigative (including, but not limited to, court costs, attorney’s fees and any amount paid in any settlement), by reason of that person’s being or having been a member of its Board of Directors (herein referred to as “Directors” for purposes of this Article), officer, employee, or agent of the Corporation or of any other enterprise at the request of the Corporation. Notwithstanding the foregoing, the Corporation has no obligation to purchase insurance on behalf of any person who is or was a Director, officer, employee, or agent of the corporation 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 Corporation 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.

(b) Said indemnification can be made only if a determination has been made, with the advice of counsel for the Corporation, 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:

(1) 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 Corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; and

(2) that the amount of the proposed indemnification is reasonable; and

(3) that the proposed indemnification is just and proper and can be legally made by the corporation under then existing law; and

(4) that the indemnification shall be made by the Corporation in an amount stated in the determination; provided, however, that the indemnification provided for herein shall 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.

16-2. **Limitation of 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:

(a) The Director has breached or failed to perform the duties of the director's office under Subchapter 57B of the Pennsylvania Nonprofit Corporation law or any successor thereto; and

(b) The breach or 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 or liability of a Director pursuant to any criminal statutes; or

(2) the liability of a Director for the payment of taxes pursuant to local, state, or federal law.

16-3. **Standard of Care of Directors and Justifiable Reliance By Directors.**

A Director shall stand in a fiduciary relation to the Corporation and shall perform his duties as Trustee, including his duties as a member of any committee of any board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(a) One or more officer or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(b) Counsel, public accountants or other persons as to matters to which the Director reasonably believes to be within the professional or expert competence of such person;

(c) 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. A Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause reliance to be unwarranted. In discharging the duties of their respective positions, the Board of Directors, committees of the Board, and individual directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation are located, and other

pertinent factors shall not constitute a violation of the foregoing duties of the Director 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 interests of the corporation.

16-4. **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 Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Corporation.

16-5. **Insurance of Indemnification Fund.**

The Corporation 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 corporation and a person serving at the request of the Corporation 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.

16-6. **Validity.**

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

16-7. **Contract Rights; Amendment or Repeal.**

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

## **ARTICLE XVII – AMENDMENTS OF ARTICLES AND BYLAWS**

17-1. The Articles of Incorporation and Bylaws of BHA may be amended or repealed and new articles or bylaws may be adopted only as follows:

(a) The Board of Directors shall adopt a resolution recommending the proposed action by a vote of two-thirds of the directors then in office, at a regular or special meeting of the Board duly convened upon at least ten (10) days prior written notice to the directors specifying that one of the purposes of the meeting is to consider amendment, repeal or adoption of the Articles of Incorporation or these Bylaws, in which case the notice of the Board meeting shall also include a copy or summary of the

proposed action. Upon adoption of the resolution, the Board of Directors or any officer authorized by the Board or these Bylaws shall call a meeting of the BHA General Assembly to consider the Board's recommended action. The notice of the meeting of the BHA General Assembly shall specify that the purpose of the meeting is to consider the proposed amendment, repeal or adoption of the Articles of Incorporation or these Bylaws and shall include a copy or summary of the proposed action.

(b) The proposed amendment, repeal or adoption of the Articles of Incorporation or these Bylaws shall be adopted and approved upon receiving the affirmative vote of a majority of the votes cast by delegates present at a meeting of the BHA General Assembly called pursuant to (a) above.

- 17-2. Whenever these Bylaws require for the taking of any action a specified number or percentage of votes by delegates to the BHA General Assembly, the provision of these Bylaws setting forth that requirement shall not be amended or repealed by any lesser number or percentage of votes.