

BY-LAWS  
OF  
SOUTH JERSEY YOUTH LACROSSE LEAGUE INC.

Section 1.

NAME, PURPOSE, LOCATION,  
CORPORATE SEAL AND FISCAL YEAR

1.1 Name. The name of the Corporation shall be SOUTH JERSEY YOUTH LACROSSE LEAGUE, INC.

1.2 Purposes. The purposes of the Corporation shall be:

- (a) To promote the development and controlling growth of the sport of lacrosse through the formation of a youth lacrosse league comprised of active youth boys and girls lacrosse programs in southern New Jersey and the affiliation of such youth lacrosse leagues with U.S. Lacrosse, Inc.
- (b) To promote and develop through the operation of a youth lacrosse league knowledge of the rules and skills of lacrosse;
- (c) To promote and develop through boys and girls participating in youth lacrosse the qualities of sportsmanship, teamwork and respect for coaches, officials and players;
- (d) To develop, promote and provide opportunities for coaches and officials to receive training on the rules and skills of lacrosse and the skills necessary to enable coaches and officials to serve as positive role models for boys and girls participating in the sport of lacrosse, with an emphasis on the positive qualities of sportsmanship, teamwork and the building of character; and
- (e) In general to do all things as may be appropriate to promote and accomplish any of the foregoing purposes.

1.2.1 Additional Purposes and Powers

(a) The purpose of the Corporation, as stated herein, shall be carried out by its board of directors in a manner that will enable the Corporation to qualify as an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and the regulations promulgated thereunder. Toward this end, the Corporation shall have the following powers in furtherance of its purposes:

- (i) The Corporation may purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and deal in and with real or personal property, or any interest therein, wherever situated, in an unlimited amount;

(ii) The Corporation may solicit and receive contributions from any and all sources and may receive and hold, in trust or otherwise, funds received by gift or bequest;

(iii) The Corporation may sell, convey, lease, exchange, transfer, mortgage, pledge, encumber, create a security interest in or otherwise dispose of, by gift or in any other manner, any or all of its property, or any interest therein, wherever situated and however acquired;

(iv) The Corporation may purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, use or otherwise deal in and with, bonds and other obligations, shares or other securities or interests issued by others, whether engaged in similar or different business, governmental or other activities;

(v) The Corporation may make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the Corporation may determine and issue its notes, bonds and other obligations with or to any person, firm association, corporation, municipality, country or any other entity;

(vi) The Corporation may lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;

(vii) The Corporation may be an incorporator of other corporations of any type or kind;

(viii) The Corporation may be a partner in any business enterprise which it would have power to conduct by itself;

(ix) The directors may make, amend or repeal the by-laws in whole or in part, except with respect to any provision thereof which by law or the by-laws requires action by the members;

(x) Meetings of the members may be held anywhere in the United States;

(xi) No person shall be disqualified from holding any office by reason of any interest. In the absence of fraud, any director, officer or member of this Corporation individually, or any individual having any interest in any concern in which any such directors, officers, members, or individuals have any interest, may be a party to, or may be pecuniarily or otherwise interested in, any contract, transaction or other act of this Corporation, and

(1) no contract, transaction, or act shall not in any way be invalidated or otherwise affected by that fact;

(2) no such director, officer, member or individual shall be liable to account to this Corporation for any profit realized through any such contract, transaction, or act; and

(3) any such director of this Corporation may be counted in determining the existence of a quorum at a meeting of the directors or of any committee thereof which shall authorize any such contract, transaction, or act, and may vote to authorize the same. The term "interest" as used herein shall include personal interest and interest as a director, officer, stockholder, shareholder, trustee, member or beneficiary of any concern; the term "concern" as used herein shall include any corporation, association, trust, partnership, firm, person, or other entity other than this Corporation; and

(xii) The Corporation may exercise all powers necessary or convenient to effect any or all of the purposes for which the Corporation is formed; provided, however, that no such power shall be exercised in a manner inconsistent with the applicable state law or the requirements contained in Section 501(c)(3) of the Internal Revenue Code and the regulations promulgated thereunder.

(b) Notwithstanding any powers granted to this Corporation by these Articles, its by-laws or by applicable law the following limitations upon said powers shall apply and be paramount:

(i) No part of the net earnings of the Corporation shall inure to the benefit of any member, director, officer of the Corporation, or any private individual; provided, however, that reasonable compensation may be paid for services rendered to or for the Corporation in furtherance of one or more of its purposes. No member, director, officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

(ii) No substantial part of the activities of the Corporation shall involve the dissemination of propaganda, or otherwise attempting to influence legislation;

(iii) The Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office;

(iv) Notwithstanding any other provision of these Articles of Organization, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code or by an organization to which contributions are deductible under Sections 170(c)(2) and 2055(a) of the Internal Revenue Code; and

(v) Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to such organizations which then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code as the board of directors may decide.

(c) (i) The Corporation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code or corresponding provisions of any subsequent Federal tax laws;

(ii) The Corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code or corresponding provisions of any subsequent Federal tax laws;

(iii) The Corporation will not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code, or corresponding provisions of any subsequent Federal tax laws;

(iv) The Corporation will not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code or corresponding provisions of any subsequent Federal tax laws; and

(v) The Corporation will not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code or corresponding provisions of any subsequent Federal tax laws.

(d) The directors and officers of the Corporation shall not be personally liable for any debt, liability or obligation of the Corporation. All persons, corporations or other entities extending credit to, contracting with, or having any claim against the Corporation may look only to the funds and property of the Corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the Corporation.

(e) The Corporation shall, to the extent legally permissible and only to the extent that the status of the Corporation as an organization exempt under

Section 501(c)(3) of the Internal Revenue Code is not affected thereby, indemnify each of its directors, officers, employees and other agents (including persons who serve at its request as directors, officers, employees or other agents of another organization in which it has an interest) against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a director, officer, employee or agent, except with respect to any matter as to which he shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation; provided, however, that as to any matter disposed of by a compromise payment by such director, officer, employee or agent, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the Corporation, after notice that it involves such indemnification: (a) by a disinterested majority of the directors then in office; or (b) by a majority of the disinterested directors then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such director, officer, employee or agent appears to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation. Expenses including counsel fees, reasonably incurred by any such director, officer, trustee, employee or agent in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof upon receipt of an undertaking by such individual to repay the amounts so paid to the Corporation if he shall be adjudicated to be not entitled to indemnification under applicable state law . The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any director, officer, employee or agent may be entitled. Nothing contained herein shall affect any rights to indemnification to which corporate personnel may be entitled by contract or otherwise under law. As used in this paragraph, the terms "director", "officer", "employee", and "agent" include their respective heirs, executors and administrators, and an "interested" director is one against whom in such capacity the proceedings in question or another proceeding on the same or similar grounds is then pending.

All references to the "Internal Revenue Code" shall be deemed to refer to the Internal Revenue Code now or hereafter in effect and the regulations promulgated thereunder or corresponding provisions of any subsequent Federal tax laws.

1.3 Location. The principal office of the Corporation in the State of New Jersey shall be located at 1500 Kings Highway North, Suite 201, Cherry Hill, NJ 08034. The Directors may change the location of the principal office in the State of New Jersey effective upon filing a certificate with the Secretary of the State of New Jersey, or in such other manner as may be required by the laws of such jurisdiction of organization of the Corporation.

1.4 Corporation Seal. The Directors may adopt and alter the seal of the Corporation.

1.5 Fiscal Year. The fiscal year of the Corporation shall, unless otherwise decided by the Directors, end on December 31 in each year.

## Section 2.

### VOTING MEMBERS

There shall be no voting members of the Corporation.

## Section 3.

### NONVOTING MEMBERS

3.1 Program Members. Each youth lacrosse program admitted by the Board of Directors to membership in the Corporation shall constitute a nonvoting member of the Corporation (a "Program Member"). The following requirements and rights shall be applicable to the admission by the Board of Directors of a Program Member to the Corporation;

- (a) Any city or town in southern New Jersey shall be eligible for admission to the Corporation as a Program Member if such city or town has an active boys and girls youth lacrosse program. The youth lacrosse program may be a program of the municipality or a private non-profit organization. The youth lacrosse program shall be active if the city or town sponsors one or more boys or girls youth lacrosse teams that actively participates or will actively participate in games involving youth lacrosse programs sponsored by other cities and towns. In order to be eligible for membership in the Corporation as a Program Member, any such youth lacrosse program shall include boys and girls in grades five through eight in at least eight (8) teams. The requirement that a youth lacrosse program field at least eight (8) teams may, however, be waived by the Board of Directors for a "start up" youth lacrosse program. Any such waiver by the Board of Directors shall constitute a "Major Decision", as more particularly described in Section 4.12.1 below;
- (b) A Lacrosse Program must declare a public high school. Only one (1) lacrosse program per high school. The high school must have a feeder program.
- (c) The Corporation may admit as Affiliate Member(s) city or town programs that do not meet the geographic requirements of the Corporation. Such Affiliate Member(s) shall

not have a representative on the Board of Directors.

- (d) Notwithstanding the foregoing, the Board of Directors expressly reserves the right from time to time to admit as a Program Member of the Corporation such other youth lacrosse programs as the Board of Directors may determine satisfy generally the requirements for membership as a Program Member even though such youth lacrosse programs are not sponsored by a city or town. Any such decision of the Board of Directors shall constitute a Major Decision;
- (e) The Board of Directors may from time to time require the payment by each Program Member of an annual membership fee in an amount established by the Board of Directors. Any decision as to whether to charge a membership fee and the amount of the membership shall constitute a Major Decision by the Board of Directors;
- (f) Each Program Member shall be entitled to one representative on the Board of Directors of the Corporation. The identity of the representative on the Board of Directors of each Program Member shall be determined individually by each youth lacrosse program, in its sole discretion, subject to the right of the Board of Directors to remove any member of the Board of Directors with or without cause as hereinafter provided;
- (g) The Board of Directors shall be entitled to establish such other criteria and qualifications for membership in the Corporation as a Program Member as the Board of Directors may determine from time to time, and any such determination shall constitute a Major Decision; and
- (h) The Board of Directors may remove any Program Member from membership in the Corporation with or without cause at any time. Any proposed removal of a Program Member from membership in the Corporation with cause shall require that the Program Member be provided with reasonable notice and an opportunity to be heard. Any decision to remove a Program Member from membership in the Corporation, either with or without cause, shall constitute a Major Decision.

3.2 Other Nonvoting Members. There may be other classes of nonvoting members, who shall in such capacity have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum, and shall have no other rights or responsibilities except as may be specifically delegated to them by the Directors. The Directors may designate certain persons or groups of persons as nonvoting members from time to time, and the Directors may confer upon nonvoting members such powers, rights or responsibilities, individually or in groups, as they deem necessary or appropriate.



## Section 4.

### BOARD OF DIRECTORS

4.1 Number and Tenure. Each Program Member shall be entitled to appoint one member of the Board of Directors to represent such program on the Board of Directors. The Directors annually at their annual meeting shall fix the number of Directors. At any special or regular meeting, the Directors in office may increase the number of Directors for the purpose of permitting a new Program Member to appoint one member of the Board of Directors to represent such program on the Board of Directors. At any special or regular meeting, the Directors may decrease the number of Directors, but only to eliminate vacancies existing by reason of resignation, removal or disqualification of one or more Directors, under circumstances in which the Program Member that appointed any such Director that resigns, is removed or disqualified either fails or is not entitled to appoint a replacement Director.

4.2 Tenure. Each Director shall hold office until the next annual meeting of Directors that coincides with the end of his or her term and until his or her successor is appointed and qualified, or until such Director dies, resigns, is removed or becomes disqualified.

4.3 Powers. The affairs of the Corporation shall be managed by the Directors who shall have and may exercise all the powers of the Corporation.

#### 4.4 Committees.

4.4.1 Executive Committee. The Executive Committee shall be comprised of the president, the vice president, the treasurer, the auditor, the clerk, the immediate past president (but only during the year immediately following the last year of his or her presidency) and the Chairperson of each of the other committees of the Corporation. The Executive Committee shall have all of the powers of the Board of Directors in the interim between meetings of the full Board of Directors, provided that the Executive Committee shall not be empowered to modify any action taken by the Board of Directors. The Executive Committee shall meet at least twice each year. One meeting of the Executive Committee shall precede the annual meeting of the Board of Directors, and shall take place no more than six (6) months prior to the annual meeting of the Board of Directors. The second meeting of the Executive Committee shall take place during the spring youth lacrosse season on a date and at a time specified by the president of the Corporation. Notice of each meeting of the Executive Committee shall be sent in writing by the clerk by mail to each member of the Executive Committee at his or her address as it appears on the books of the Corporation, at least fourteen (14) days before the date set forth the meeting. Special meetings may be called by the president or by a majority of the members of the Executive Committee at any time, upon forty-eight (48) hours written, telephone or person-to-person notice. The clerk shall also send written notice of each meeting of the Executive



Committee to all other members of the Board of Directors, and any member of the Board of Directors shall be entitled to attend any meeting of the executive Committee. At all meetings of the Executive Committee, a majority of the members of the Board of Directors then serving on the Executive Committee shall constitute a quorum. The clerk of the Executive Committee shall keep minutes of each meeting in a book kept for that purpose and shall promptly send a copy of the minutes of each meeting of the Executive Committee by mail to each member of the Board of Directors. A vacancy on the Executive Committee occasioned by the resignation, inability or refusal of a member to serve may be filled by the president. Any action by the Executive Committee may be taken without a meeting if a written consent is signed by all members of the Executive Committee and filed with the records of the Executive Committee meetings. Such consent shall be treated as a vote of the Executive Committee for all purposes.

4.4.2 Membership Committee. There shall be a Membership Committee comprised of at least five and no more than seven individuals, at least three of whom shall be members of the Board of Directors. The remaining members of the Membership Committee are not required to be members of the Board of Directors. All Committee Members shall, however, be affiliated in some manner with a Program Member. The president shall appoint the members of the Membership Committee. The Membership Committee shall recommend to the Board of Directors the requirements applicable to a lacrosse program becoming a Program Member. The Membership Committee shall recommend to the Board of Directors age requirements applicable to the participants in each Program Member's youth lacrosse program and it shall make recommendations to the Board of Directors with respect to any variances with respect to any such age requirements. The Membership Committee shall make recommendations to the Board of Directors with respect to membership fees. The Membership Committee shall recommend to the Board of Directors rules of conduct for coaches and players participating in youth lacrosse games. The Membership Committee shall make recommendations to the Board of Directors regarding noncompliance by a team with the membership and conduct requirements. The Chairman of the Membership Committee shall be a member of the Board of Directors and shall be appointed by the president of the Corporation.

4.4.3 Rules Committee. There shall be a Rules Committee comprised of at least five and no more than seven individuals, at least three of whom shall be members of the Board of Directors. The remaining members of the Rules Committee are not required to be members of the Board of Directors. All Rules Committee Members shall, however, be affiliated in some manner with a Program Member. The Rules Committee shall be responsible for reviewing and recommending to the Board of Directors the rules applicable to league play, which shall be based upon the youth lacrosse rules promulgated by US Lacrosse which are included as part of the National Federation of High School Rules governing the sport of lacrosse. Any deviation from the youth rules promulgated by US Lacrosse shall be subject to the approval of the Board of Directors based upon the recommendation of the Rules Committee, and any such approval shall constitute a "Major Decision", as more particularly described in Section 4.12.1 below. The Rules Committee shall also be responsible for the review of equipment related issues, and it shall make recommendations to the Board of Directors as to mandatory equipment for

participation in league play. The Rules Committee shall be responsible for determining the availability of insurance for Program Members, and it shall make recommendations to the Board of Directors with respect to the appropriate role of the Corporation in satisfying the insurance requirements of any Program Member. The Rules Committee shall also make recommendations to the Board of Directors with respect to any requirements applicable to officials who officiate league games, and it shall identify and make recommendations to the Board of Directors with respect to appropriate strategies and initiatives that are designed to improve the overall officiating of league games. The Chairman of the Rules Committee shall be a member of the Board of Directors and shall be appointed by the president of the Corporation.

4.4.4 Scheduling Committee. There shall be a Scheduling Committee comprised of at least five and no more than seven individuals, at least three of whom shall be members of the Board of Directors. The remaining members of the Scheduling Committee are not required to be members of the Board of Directors. All Scheduling Committee Members shall, however, be affiliated in some manner with a Program Member. The Scheduling Committee shall be responsible for coordinating the annual scheduling of league games, and it shall make recommendations to the Board of Directors with respect any policies or procedures applicable to the scheduling of league games. The Scheduling Committee shall establish and recommend to the Board of Directors an overall league structure, including geographic divisions, the establishment of different team skill levels to promote competitive play and requirements applicable to league games and standings within the league. The Scheduling Committee shall establish and recommend to the Board of Directors a format for the year end tournament. The Scheduling Committee shall also review periodically and make recommendations to the Board of Directors with respect to the creation of an all star game and/or the selection of one or more all star teams to participate in games involving all star teams from other leagues. The Chairman of the Membership Committee shall be a member of the Board of Directors and shall be appointed by the president of the Corporation.

4.4.5 Additional Committees. The president of the Board of Directors may appoint such additional committees as in his or her judgment may be necessary or appropriate for the conduct of the business and affairs of the Corporation.

4.4.6 Committees Generally. Each Committee may elect a Vice Chairman. Unless otherwise expressly provided in these By-Laws, a majority of the members of each Committee shall constitute a quorum for the transaction of business. The clerk of each Committee or, in the absence of the clerk a temporary clerk appointed by the Chairman of the Committee, shall keep a true record of all proceedings, and such record shall always be open for the inspection of any Director. A vacancy in any Committee occasioned by the death, resignation, inability or refusal of a member to serve may be filled by the president. Any member of the Board of Directors shall be entitled to attend any Committee Meeting, and each Committee shall provide to the clerk a schedule of its meetings which shall be made available to any member of the Board of Directors.

4.5 Suspension or Removal. A Director may be suspended or removed (a) with or without cause by vote of a majority of the members then in office or (b) with cause by vote of a majority of the Directors then in office. A Director may be removed with cause only after reasonable notice and opportunity to be heard.

4.6 Resignation. A Director may resign by delivering his or her written resignation to the president, treasurer or clerk of the Corporation, to a meeting of the members or Directors or to the Corporation at its principal office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time) and acceptance thereof shall not be necessary to make it effective unless it so states.

4.7 Vacancies. Any vacancy in the Board of Directors shall be filled by the Program Member entitled to appoint the Director whose death, resignation, removal or disqualification creates the vacancy. Each successor shall hold office for the unexpired term or until he or she dies, resigns, is removed or becomes disqualified. The Directors shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number.

4.8 Regular Meetings. Two regular meetings of the Directors shall be held each year. The first regular meeting of the Directors shall be held prior to the beginning of league play, on such date and at such time as shall be determined by the Executive Committee. The second regular meeting of the Directors shall be held following the end of each lacrosse season, at such time and on such date as shall be determined by the Executive Committee.

4.9 Special Meetings. Special meetings of the Directors may be held at any time and at any place when called by the president or by two or more Directors.

4.10 Call or Notice.

(a) Regular Meetings. No call or notice shall be required for regular meetings of Directors, provided that reasonable notice: (i) of the first regular meeting following the determination by the Directors of the times and places for regular meetings shall be given to absent members; (ii) specifying the purposes of a regular meeting shall be given to each Director if either contacts or transactions of the Corporation with interested persons or amendments to these by-laws are to be considered at the meeting; and (iii) shall be given as otherwise required by law, the articles or organization or these by-laws.

(b) Special Meetings. Reasonable notice of the time and place of special meetings of the Directors shall be given to each Director. Such notice need not specify the purposes of a meeting, unless otherwise required by law, the articles of organization or these by-laws or unless there is to be considered at the meeting: (i) contacts or transactions of the Corporation with

interested persons; (ii) amendments to these by-laws; (iii) an increase or decrease in the number of Directors; or (iv) removal or suspension of a Director.

(c) Reasonable and Sufficient Notice. Except as otherwise expressly provided, it shall be reasonable and sufficient notice to a Director to send notice by mail or email at least four (4) days addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least forty-eight (48) hours before the meeting.

(d) Waiver of Notice. Whenever notice of a meeting is required, such notice need not be given to any Director if a written waiver of notice, executed by him (or his attorney thereunto authorized) before or after the meeting, is filed with the records of the meeting, or to any Director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. A waiver of notice need not specify the purposes of the meeting unless such purposes were required to be specified in the notice of such meeting.

4.11 Quorum. At any meeting of the Directors a majority of the Directors then in office shall constitute a quorum. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

4.12 Action by Vote; Major Decisions. When a quorum is present at any meeting, a majority of the Directors present and voting shall decide any question, including election of officers, unless otherwise provided by law, the articles of organization or these by-laws.

4.12.1 Major Decisions. Notwithstanding anything contained herein to the contrary, any "Major Decision" required to be made by the Board of Directors shall require the affirmative vote of two thirds of the Directors present and voting to decide any such question. As used herein, a "Major Decision" shall mean any decision identified in these by-laws as a "Major Decision". It shall also mean any decision proposed to be made by the Board of Directors that will result in a fundamental change in the purposes, policies, practices or procedures of the Corporation. In the event that any member of the Board of Directors believes that a proposed decision is a Major Decision, such member of the Board of Directors shall be entitled to require the Board of Director to vote on the issue of whether a proposed action constitutes a Major Decision. A majority vote of those Directors present and voting shall determine whether any proposed action constitutes a Major Decision in the event that any Director requests that the Board of Directors make such a determination. The removal of any Program Member, Director or officer, with or without cause, shall constitute a Major Decision.

4.13 Action by Writing. Any action required or permitted to be taken at any meeting of the Directors may be taken without a meeting if all the Directors consent to the action in writing and the written consents are filed with the records of the meetings of the Directors. Such consents shall be treated for all purposes as a vote at a meeting.

4.14 Compensation. Directors shall not be entitled to receive compensation for their services as Directors. Directors shall not be precluded from serving the Corporation in any other capacity and receiving compensation for any such services.

## Section 5.

### OFFICERS AND AGENTS

5.1 Number and Qualification. The officers of the Corporation shall be a president, a vice president, a treasurer and a clerk, together with such other officers, if any, as the Directors may determine. The president, vice president, treasurer and clerk shall be members of the Board of Directors. Any other officer may but need not be a member of the Board of Directors. The clerk shall be a resident of the state where this corporation is organized unless the Corporation has a resident agent duly appointed for the purpose of service of process. A person may not hold more than one office at the same time. If required by the Directors, any officer shall give the Corporation a bond for the faithful performance of his duties in such amount and with such surety or sureties as shall be satisfactory to the Directors.

5.2 Election. The president, treasurer, each vice president and the clerk shall be elected by the Directors at the annual meeting of the Board of Directors that coincides with the end of his or her term.

5.3 Tenure. The president, vice president, treasurer and clerk shall each hold office for a term of two years. Notwithstanding the foregoing, however, the initial treasurer and clerk of the Corporation shall hold office for terms of three years each. Any other officer shall hold office for a term of one year, unless a shorter period shall have been specified by the terms of his or her election or appointment, or in each case until her or she dies, resigns, is removed, or becomes disqualified. Each agent shall retain his or her authority at the pleasure of the Directors.

5.4 President. The president shall preside at all meetings of the Directors, except as the Directors shall otherwise determine, and shall have such other powers and duties as may be determined by the Directors. No individual shall serve as president for consecutive terms.

5.5 Treasurer. The treasurer shall be the chief financial officer and the chief accounting officer of the Corporation. The treasurer shall be in charge of its financial affairs, funds, securities and valuable papers and shall keep full and accurate records thereof. The treasurer shall have such other duties and powers as designated by the Directors.

5.6 Vice President. The vice president of the Corporation shall be the president elect of the Corporation. The vice president shall preside at meetings of the Directors in the absence of the president. The vice president shall have and may exercise such other duties and powers as may be designated by the Directors. The vice president shall have any may exercise

all of the powers and duties of the president during the absence of the president or in the event of the inability of the president to act, except as otherwise determined by the Directors.

5.7 Other Vice Presidents. All other vice presidents, if any, shall have such duties and powers as the Directors shall determine.

5.8 Clerk. The clerk shall record and maintain records of all proceedings of the members and Directors in a book or series of books kept for that purpose, which book or books shall be kept within the Commonwealth at the principal office of the Corporation or at the office of its clerk or if its resident agent and shall be open at all reasonable times to the inspection of any member. Such book or books shall also contain records of all meetings of incorporators and the original, or attested copies, of the articles of organization and by-laws and names of all members and Directors and the address of each. If the clerk is absent from any meeting of members or Directors, a temporary clerk chosen at the meeting shall exercise the duties of the clerk at the meeting.

5.9 Suspension or Removal. An officer may be suspended or removed with or without cause by vote of a majority of Directors then in office at any special meeting called for such purpose or at any regular meeting. An officer may be removed with cause only after reasonable notice and opportunity to be heard.

5.10 Resignation. An officer may resign by delivering his written resignation to the president, treasurer or clerk of the Corporation, to a meeting of the members or Directors, or to the Corporation at its principal office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time), and acceptance thereof shall not be necessary to make it effective unless it so states.

5.11 Vacancies. If the office of any officer becomes vacant, the Directors may elect a successor. Each such successor shall hold office for the unexpired term, and in the case of the president, treasurer and clerk until his successor is elected and qualified, or in each case until he dies, resigns, is removed or becomes disqualified.

## Section 6.

### EXECUTION OF PAPERS

Except as the Directors may generally or in particular cases authorize the execution thereof in some manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the Corporation shall be signed by the president, by the treasurer or by the vice president and chief financial officer.

Any recordable instrument purporting to affect an interest in real estate, executed in the name of the Corporation by two of its officers, of whom one is the president or a vice-president

and the other is a treasurer or an assistant treasurer, shall be binding on the Corporation in favor of a purchaser or other person relying in good faith on such instrument notwithstanding any inconsistent provisions of the articles of organization, by-laws, resolutions or votes of the Corporation.

#### Section 7.

### PERSONAL LIABILITY

The Directors and officers of the Corporation shall not be personally liable for any debt, liability or obligation of the Corporation. All persons, Corporations or other entities extending credit to, contracting with, or having any claim against the Corporation may look only to the funds and property of the Corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the Corporation

#### Section 8.

### INDEMNIFICATION

The Corporation shall, to the extent legally permissible and only to the extent that the status of the Corporation as an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, is not affected thereby, indemnify each of its Directors, officers, employees and other agents (including persons who serve at its request as Directors, officers, employees or other agents of another organization in which it has an interest) against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Director, officer, employee or agent, except with respect to any matter as to which he shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation; provided, however, that as to any matter disposed of by a compromise payment by such Director, officer, employee or agent, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the Corporation, after notice that it involves such indemnification: (a) by a disinterested majority of the Directors then in office; or (b) by a majority of the disinterested Directors then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such Director, officer, employee or agent appears to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation; or (c) by a majority of the disinterested members entitled to vote, voting as a single class. Expenses including counsel fees, reasonably incurred by any such Director, officer, Director, employee or agent in connection with the defense or disposition of



any such action, suit or other proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof upon receipt of an undertaking by such individual to repay the amounts so paid to the Corporation if he shall be adjudicated to be not entitled to indemnification under applicable state law. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any Director, officer, employee or agent may be entitled. Nothing contained herein shall affect any rights to indemnification to which corporate personnel may be entitled by contract or otherwise under law. As used in this paragraph, the terms "Director", "officer", "employee", and "agent" include their respective heirs, executors and administrators, and an "interested" Director is one against whom in such capacity the proceedings in question or another proceeding on the same or similar grounds is then pending.

#### Section 9.

#### GENDER

The use of the masculine herein shall also refer to the feminine, unless otherwise expressly provided, and the use of the singular herein shall also refer to the plural, unless the context otherwise requires.

#### Section 10.

#### AMENDMENTS

These By-laws may be amended or appealed in whole or in part at any annual or special meeting of the Board of Directors by a vote of two-thirds (2/3) of the members of the Board of Directors present and voting at any such meeting. Notice of a proposed amendment or repeal of these By-laws in whole or in part shall be mailed to all Directors at least fourteen (14) days prior to the date of any such meeting.

#### Section 11

### CONFLICT OF INTEREST POLICY

#### Article 1

#### Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might 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 organizations.

## Article II

### Definitions

#### 1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

[Hospital Insert - for hospitals that complete Schedule C

If a person is an interested person with respect to any entity in the health care system of which the organization is a part, he or she is an interested person with respect to all entities in the health care system.]

#### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## Article III

### Procedures

#### 1. 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 and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

## 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

## 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

## 4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## Article IV

### Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.

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

## Article V

### Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

[Hospital Insert - for hospitals that complete Schedule C

d. Physicians who receive compensation from the Organization, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.]

## Article VI

### Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands the Organization 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.

## Article VII

### Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## Article VIII

### Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.