

PENNSYLVANIA MUNICIPAL ELECTRIC ASSOCIATION

BY-LAWS

ARTICLE I. POWERS AND PURPOSES

Section 1.1. Authority.

These By-laws are adopted by the Pennsylvania Municipal Electric Association (the Association) to govern the conduct of business of the Association. The Association is a non-stock corporation organized under the laws of the Commonwealth of Pennsylvania. The Association shall have all authority necessary to achieve its corporate purposes within applicable law. These By-laws may be supplemented, as needed, by duly adopted rules, regulations and policies of the Association. Such rules, policies and regulations shall be subordinate to these By-laws.

Section 1.2. Purposes.

The purposes of the Association are: (1) to promote cooperation between, and the betterment of municipal corporations, state agencies and political subdivisions, other public or quasi-public local, state and Federal corporations, bodies and agencies, cooperative associations, non-profit corporations and similar organizations, domestic or foreign, that own, operate, or control electric generation, transmission or distribution facilities (hereafter "Public Power Systems") or are specifically authorized by law to own or operate such facilities; (2) to assist public and/or non-profit agencies, foundations, commissions, authorities and similar organizations, domestic and foreign, engaged in planning, coordinating or administering programs related to the development and use of electric power resources; (3) to promote the mutual improvement and common purposes of the public power sector of the electric utility industry; (4) to educate and assist the public power sector of the electric utility industry with particular regard to (a) management and operation; (b) engineering, design, construction, operation and research; (c) accounting and commercial practice; (d) public policy; (e) personnel training; and (f) such other matters as may be common to, or of general interest to, public power systems.

Section 1.3. Association not Organized for Profit.

This corporation is not organized for profit and shall have no capital stock.

ARTICLE II. MEMBERSHIP.

Section 2.1. Membership Classes.

The membership of the Association shall consist of three classes of members: (1) voting members called Regular Members; (2) non-voting members called Associate Members, and (3) Honorary Life Members.

Section 2.2. Municipal Members.

The following entities shall be eligible to be Regular Members of the Association:

1. Commonwealth of Pennsylvania, Borough owned and operated Public Power Systems, as defined in Section 1.2 of these By-laws, including joint action agencies owned or controlled by Public Power Systems.

Except as otherwise provided in these By-laws, regular Municipal Members shall be entitled to vote on matters brought before the membership, to participate fully in the affairs of the Association and to receive its services, reports and publications.

Section 2.3. Associate Members.

Individuals; corporations; agencies of local, state and Federal government-owned corporations engaged in planning, coordinating or administering programs related to the development or use of electric power resources; regional, state and local associations or groups that have purposes similar to those of the Association; and other organizations that are not eligible to be Municipal Members, but which desire to support the activities of the Association shall be eligible to be Associate Members of the Association. To the extent provided for in policies established by the Board of Directors, Associate Members shall be entitled to attend meetings of the Association and to receive the Association's reports and publications, but shall not be entitled to vote.

Section 2.4. Honorary Life Members.

The Board of Directors may award Honorary Life Memberships in the Association to past Presidents of the Association and recipients of the Association's Distinguished Service Award and may, at its discretion, award Honorary Life Memberships to such other individuals as are deemed to merit such recognition. Honorary Life Members may participate in the affairs of the Association and shall be entitled to attend meetings of the Association and receive its reports and publications, but shall not be entitled to vote nor be required to pay dues.

Section 2.5. Applications for Membership.

Entities and individuals interested in becoming Municipal or Associate Members of the Association shall submit an application for membership on a form provided by the Association, together with a commitment to pay the dues and other fees and charges applicable to the membership class for which the application is filed. The Secretary shall review any application filed, obtain such other information as is necessary from the applicant or other sources to determine whether the applicant is eligible for membership and the appropriate class of membership, and recommend to the Executive Committee, acceptance or denial of such application.

Section 2.6. Voting; Actions of the Membership.

- A. The Municipal Members shall elect members of the Board of Directors pursuant to Section 4.2.B of these By-laws, approve public policy positions of the Association on major issues affecting Public Power Systems, approve or disapprove changes in dues and special assessments and amendments to these By-laws by referenda in accordance with Sections 3.1, 3.2 and 7.7 of these By-laws and may take such other actions at duly called meetings as they deem appropriate and in the best interests of the Association and public power systems.
- B. All actions of the membership of the Association shall be taken at a duly called meeting of the Municipal Members. Unless otherwise prohibited by these By-laws or Board of Directors, voting on a matter or several matters by the Representatives or alternates of the Municipal Members by absentee voting ballot will be permitted if approved by the President and no written objection is sent to the President by a majority of the voting officers of the Executive Committee or by two-thirds (2/3) of the Regular Members at least fifteen (15) days prior to the date of the scheduled meeting and vote. The absentee voting ballot and sufficient supporting information on the matters to be voted on shall be mailed or sent by electronic mail or facsimile transmission to all Municipal Members at least thirty (30) days in advance of the scheduled meeting and vote. All absentee voting ballots shall be signed by the Representative or alternate, sealed and attested by the municipal secretary of the borough being represented and casting the vote, and submitted in a sealed envelope (should be marked "PMEA Absentee Voting Ballot") to the Association Secretary. All absentee voting ballots shall be opened, read aloud, and recorded at the scheduled meeting. No ballot shall be counted if received by the Secretary after the scheduled due date or meeting scheduled for opening, count and recording of the ballot. Unless provided otherwise in these By-laws, all actions shall be approved by a majority of the members voting in person, by absentee voting

ballot, or combination, with each Municipal Member casting one vote. Proxy voting by Municipal Members shall be permitted if approved by the President and no written objection is sent to the President by a majority of the voting officers of the Executive Committee or Board of Directors or by two-thirds (2/3) of the Regular Members at least fifteen (15) days prior to the date of the scheduled deadline for receipt of the completed proxy vote.

Section 2.7. Weighted Votes.

For purposes of voting, each Municipal Member shall receive one vote in all voting matters of the Association.

Section 2.8. Meetings.

- A. The Association shall hold at a minimum an annual or special meeting of its Municipal Members for the election of members of the Board of Directors, receiving annual reports, approving policy positions and the transaction of such other business as is duly brought before the membership. The annual or special meeting shall be held as called by the President at such place as set by the President, unless the Board of Directors shall decide otherwise, at such place as is set by the Board of Directors. All Municipal Members shall be notified of the annual or special meeting by mail, electronic mail or facsimile transmission at least ten (10) days in advance of the date of the meeting.
- B. The special meetings of the Association may be called by the President, with the concurrence of the majority of the Executive Committee. Upon the written request of fifty-five percent (55%) Municipal Members, the President shall call a special meeting. The time and place of any special meeting shall be decided by the President. All Municipal Members shall be notified of a special meeting by mail thirty (30) days in advance of the date of the meeting, if possible.
- C. Fifty percent (50%) Municipal Members represented in person, by absentee voting ballot (if matters are to be voted on), conference call, teleconference, or combination at any annual or special meeting of the Association shall constitute a quorum for the conduct of business requiring actions of the Municipal Members. If a quorum is not present at any meeting, the President shall adjourn the meeting from time to time, until a quorum is present. After a quorum has been established for a meeting, the quorum shall not be broken by withdrawal of any Municipal Member. Failure to achieve a quorum of fifty percent (50%) Municipal Members shall not prevent action from being taken at a meeting of the Board of Directors as long as the requirements of Section 4.4. have been complied with and shall not prevent action from being taken at a meeting of the Executive Committee as long as the requirements of Section 5.4. have been complied with.

Section 2.9. Representatives of Members.

- A. Each Municipal Member shall designate by a writing filed with the Secretary, one of the Municipal Member's officers, officials or employees to serve as its Representative in the affairs of the Association, as well as an alternate who may serve in the absence of the designated Representative. A Municipal Member may change the person designated to be its Representative or alternate at anytime by a writing filed with the Secretary.
- B. Each Associate member shall designate in writing the individual who shall be the Association's contact person for the Associate Member.

Section 2.10. Expulsion.

Any member of the Association may be expelled from membership for a good cause by a two-thirds (2/3) vote of the Board of Directors; provided that, any such person shall have an opportunity to be

heard in person or in writing by the Board of Directors prior to any expulsion. Actions by the Board under this Section shall be final. On expulsion, a refund of dues or other payments under Article III of these By-laws shall not be made.

Section 2.11. Withdrawal.

Any member of the Association may withdraw from the Association at any time (i) upon 30 days written notice filed with the Secretary and, (ii) payment to the Association of that part of all dues any other fees or charges which shall have become payable under Article III prior to the date of withdrawal.

ARTICLE III. DUES AND OTHER FUNDING

Section 3.1. Dues.

All members of the Association, other than Honorary Life Members and Associate Members, shall pay annual dues to the Association pursuant to a dues schedule adopted by the Board of Directors.

The dues schedule for regular members in effect upon adoption of these Stated By-laws shall remain in effect until changed by the Board of Directors. Any changes in this dues schedule shall be made pursuant to a resolution duly adopted by the Board of Directors.

Honorary Members shall not be required to pay dues. Associate Members shall pay such dues as may be approved by the Board of Directors.

Section 3.2. Special Assessments.

Special assessments may be levied upon Municipal Members of the Association by a resolution adopted by the Board of Directors.

Section 3.3. Contributions.

The Association may accept contributions from members and non-members, pursuant to policies established by the Board of Directors.

Section 3.4. Notification of Dues and Votes.

Upon acceptance of a new Municipal Member to membership in the Association, the Secretary shall determine the dues to be paid by such Regular Member under Section 3.1 of these By-laws for the current year and shall notify the Municipal Member thereof. As soon as practicable after the first of each year, the Secretary shall calculate and report to each Municipal Member, the dues payable by it for such year.

ARTICLE IV. BOARD OF DIRECTORS.

Section 4.1. Powers and Duties.

The Board of Directors of the Association shall have full authority and responsibility for oversight of the management of the Association to accomplish its purposes, except as such authority may be specifically limited or modified by an action of the Regular Members. At its discretion, the Board of Directors may delegate to the Executive Committee, or to any other committees as it may establish any of its powers and responsibilities, including but not limited to, a legislative and resolutions committee for the development of public policy positions of the Association, provided, however, that the Board of Directors shall be ultimately responsible for proper execution of the Association's responsibilities and accomplishment of its purposes. The Board of Directors shall have the authority to adopt interim public

policy positions as is necessary for accomplishment of the Association's purposes. Public policy positions on major issues affecting the membership shall be presented to the Municipal Members for approval.

Section 4.2. Election and Appointment of Board of Directors.

- A. The Board of Directors shall consist of six (6) individuals with two (2) individuals representing Municipal Members of each of the three state regions of the Association as set forth in this Section.
- B. Directors shall be elected by the Municipal Members for three (3) year staggered terms, with two (2) of the six (6) Board seats to be filled by election every one (1) year period. The Representative and alternate of Municipal Members in good standing shall each be eligible for election to these Director positions, but the Representative and alternate must be a Municipal Member from the region in which the Board seat is to be filled and represented. For the purpose of electing these members of the Board, the Municipal Members by adoption of these By-laws have fixed geographic areas attached as Exhibit A from which these members of the Board shall be chosen, or the Board of Directors may in the future fix other classifications to assure broad representation on the Board of the various interests of the Municipal Members.

The President may appoint a Nominating Committee unless the Board of Directors shall decide otherwise, of not less than three (3) Representatives of Municipal Members to nominate candidates for these Board of Director positions in connection with any election or in the event of any vacancy to be filled by the Board (including appointment of the Association Solicitor, Special Legal Counsel, and Association Engineer). This Nominating Committee shall serve for three (3) years and shall include one past President of the Association, if possible.

- C. The President, Vice-Presidents, Secretary and Treasurer, and Executive Director are expected to attend all meetings of the Board of Directors, if possible.
- D. Except as provided in Sections 4.2.B and 4.3 of these By-laws, each Director shall serve for the term specified in these By-laws, or until his or her successor has been elected or appointed as provided in these By-laws.
- E. For purposes of initially defining the three state regions, the following municipalities shall be in the following regions:

Western Region

Girard	Ellwood City	Smethport
Zelienople	Grove City	Pitcairn
New Wilmington	Tarentum	Wampum

Central Region

Summerhill	Mont Alto	Watsonstown
Mifflinburg	Ephrata	East Conemaugh
Lewisberry	Hooversville	Middletown
Berlin	Royalton	Chambersburg
Goldsboro	Duncannon	

East Region

Blakely	Kutztown	Olyphant
Quakertown	Lehighton	Perkasie
St. Clair	Hatfield	Catawissa
Lansdale	Schuylkill Haven	Weatherly

Section 4.3. Vacancies.

- A. Four (4) or more of the six (6) Board of Directors may terminate the membership of any member of the Board of Directors for any reason, including but not limited to, failure to attend three (3) consecutive Board meetings, by a unanimous vote of the four (4) members of the Board present and voting at any duly called meeting of the Board; provided that, the affected Board member has an opportunity to be heard in person or in writing.
- B. A Director who is no longer an officer, official or employee of a Municipal Member shall be deemed to have resigned from the Board upon termination of such affiliation and, if the Director was elected, the vacancy shall be filled for its remaining term by election at the next annual meeting of the Association.
- C. An elected Director who moves from one member system to another member system in a different geographic region for Board election purposes shall continue to serve as Director with voting rights until the next annual meeting of the Association, at which time he or she shall be deemed to have resigned from the Board and the vacancy created shall be filled for its remaining term by election.
- D. The Board of Directors may fill any other vacancies that occur in its elected membership by appointment of individuals qualified to fill such vacancies for the remaining term of the position, consistent with the geographic or other representation criteria applicable to the position.

Section 4.4. Meetings.

The Board of Directors shall meet upon the call of the President, who shall act as the Chair of the Board of Directors, at such times and places as the President may designate. Upon the request of a majority of the members of the Board (4 of the 6 members), the President shall promptly call a meeting of the Board of Directors. Notice of all meetings of the Board of Directors shall be given by mail, electronic mail or facsimile transmission to the last known address, electronic mail address or fax number of each member of the Board at least five (5) days in advance of the meeting, if possible. To the extent that such notice of a meeting of the Board of Directors is not given at least five (5) days in advance of the meeting, such lack of notice shall not invalidate any action otherwise duly taken by the Board of Directors at such meeting. A majority of the members of the Board of Directors (4 of the 6 members) currently serving shall constitute a quorum for the purpose of conducting business at any duly called meeting of the Board. The Board shall act by the votes of a majority of the Directors present and voting, with each Director having one vote. Proxies shall not be permitted. If only four (4) of the six (6) members of the Board are present at a meeting of the Board and a tie vote would occur, or a tie occurs because of members being disqualified or having to abstain from voting because of a potential conflict of interest as provided or elsewhere in these By-laws or as deemed valid by the other members of the Board, then the President shall cast the tie-breaking vote, or in the absence of the President, the Vice-Presidents present shall vote or in the absence of the Vice Presidents or in the event of a continued tie vote, the Secretary and Treasurer shall cast the tie-breaking vote. If there is more than one individual serving as Secretary and Treasurer and/or a tie vote continues to result (including in the absence of the Secretary and Treasurer) then the Executive Director of the Association shall cast the tie-breaking vote.

Section 4.5. Sections and Committees.

The Board of Directors may establish such sections, committees and task forces of the Association as may be desirable and appropriate in the conduct of the Association's business and shall define the functions and responsibilities of such section, committee and task force. The President shall appoint the chair and members of such sections, committees and task forces; provided that, the Board of Directors may delegate to any section the responsibility for nominating officers of the section. The appointment of chairs of sections and committees shall be subject to approval by the Executive Committee. Sections, committees and task forces shall report to the Executive Committee and Board of Directors in an advisory capacity.

Section 4.6. Candidates for Executive Director.

In the event that a member of the Board of Directors or Executive Committee wishes to be considered as a candidate for appointment as the Association's Executive Director, such member of the Board must promptly declare his or her candidacy when the Board announces that it is seeking candidates and shall be disqualified for participation in any and all meetings, deliberations and voting of the Board of Directors and the Executive Committee from the time such candidacy is declared until the Board of Directors shall have filled the position of Executive Director. The Executive Director shall be appointed by vote of the Board of Directors and shall serve at the pleasure of the Board of Directors for an indefinite period of time until replaced or upon resignation. The Executive Director is the Chief Administrative Officer of the Association; he need not be a representative of a Municipal Member.

ARTICLE V. EXECUTIVE COMMITTEE.

Section 5.1. Powers and Duties.

There shall be an Executive Committee of the Board of Directors to oversee management of the affairs of the Association on behalf of, and subject to the direction of, the Board of Directors between meetings of the Board. Among other duties specified below and elsewhere in these By-laws, the Executive Committee shall be responsible for (i) matters related to applications for membership to the Association, (ii) supervision, evaluation and compensation of the Executive Director of the Association, (iii) nominating one or more candidates to the Board of Directors to fill any vacancy in the position of Executive Director, Secretary and/or Treasurer, (iv) approving the participation of the Association in legal or regulatory proceedings, and other business transactions requiring the expenditure of Association funds, and (v) such other matters as are assigned to the Executive Committee by the Board of Directors. Any action of the Executive Committee may be modified by the Board of Directors.

Section 5.2. Budget and Audit.

Prior to the beginning of each calendar year, the Treasurer in working with the Executive Director shall prepare a budget for review and recommendation by the Executive Committee for approval by the Board of Directors for the Association for such calendar year. The budget shall tabulate anticipated revenues from dues, fees, contracts and all other sources, and anticipated expenditures, which shall not exceed the anticipated revenues, taking into account the dates established by the Executive Committee for the payment of dues and use of any reserves authorized by the Executive Committee as provided for in the budget and approved by the Board of Directors. No obligation shall be incurred by the Association, and no expenditure made, which shall have the effect of increasing the aggregate expenditures and current obligations of the Association during any calendar year to an amount in excess of the revenues anticipated for that budget year, without the express approval of the Board of Directors. If revenues are less than anticipated, expenditures shall be curtailed accordingly. If revenues exceed expenditures, the excess shall be carried forward as revenues to be applied to the succeeding year's operations, unless the Board of Directors shall direct otherwise. At the option and instruction of the Board of Directors, the Executive Committee shall select a qualified public accounting firm to audit the annual financial statements of the Association.

Section 5.3. Members.

The Executive Committee shall consist of the President, one Vice-President from each of the three regions of the Association, the Secretary, and the Treasurer. The President shall serve as Chair of the Executive Committee and may fill any vacancies that occur on the Committee, including the ex officio non-voting members, during the year, with the approval of the Board of Directors.

Section 5.4. Meetings.

The Executive Committee shall meet upon the call of the President at such times and places, or in a telephone conference call, as the President may designate. The President shall call a meeting of the

Executive Committee upon the written request of a majority of all the members of the Executive Committee including the ex officio non-voting members. Notice of all meetings of the Executive Committee shall be sent by mail, electronic mail or facsimile transmission to the last known address, electronic mail address or fax number of each member of the Board of Directors at least forty-eight (48) hours in advance of any such meeting, if possible. Members of the Board of Directors shall be entitled to attend meetings of the Executive Committee as observers. Actions of the Executive Committee shall be taken by a vote by the President and Vice-Presidents, as long as at least a quorum of the voting officers is present (3 of the 4 officers). Proxies shall not be permitted. If a tie vote should occur, then the Secretary and Treasurer shall cast the tie-breaking vote. If there is more than one individual serving as Secretary and Treasurer and/or a tie vote continues to result, (including in the absence of the Secretary and Treasurer) then the Executive Director shall cast the tie-breaking vote. Minutes of the actions of the Executive Committee shall be promptly mailed by the Secretary or Acting Secretary to the Board of Directors.

ARTICLE VI. OFFICERS.

Section 6.1. Qualifications, Appointment and Election of Officers.

The Officers of the Association shall consist of a President, three (3) Vice-Presidents with one (1) Vice President from and representing each of the three (3) State regions of the Association, Secretary and Treasurer, Executive Director and such other Officers as the Board of Directors may designate by resolution. The Secretary shall serve as the Treasurer of the Association, unless the Board determines otherwise. All Officers other than the President and Vice-Presidents shall be appointed by majority vote of the Board of Directors and shall serve at the pleasure of the Board. The Secretary and Treasurer shall be appointed by the Board of Directors to a three (3) year term. The Secretary and Treasurer shall be eligible for election to the office of President, Vice-President or to the Board of Directors under Sections 6.1 and 4.2.B respectively of these By-laws immediately upon the expiration and/or resignation of their term without time having to elapse. The Treasurer must be an individual with sufficient expertise in financial and accounting matters to fulfill the responsibilities of the position. The President and Vice-Presidents shall be elected by the Board of Directors every three (3) years with one (1) Vice-President being elected each year, only after candidates are nominated by the Nominating Committee pursuant to procedures established by the Board. The Nominating Committee appointed by the President under Section 4.2.B. shall serve as the nominating committee for candidates for the offices of President and Vice-Presidents. In the absence of a Nominating Committee, candidates for the offices of President and Vice-President will be qualified for consideration upon receiving at least 25% or ¼ votes of the Regular Members of the Association. The President and Vice-Presidents shall be eligible for election to the Board of Directors under Section 4.2.B of the By-laws immediately upon the expiration and/or resignation of their term without time having to elapse.

Section 6.2. President.

The President shall be the Chair of the Board of Directors and of the Executive Committee, and shall represent the Association as its highest executive officer before the membership, the public and local, state and Federal governmental bodies and shall have such powers and duties as customarily pertain to the office of the President, and such other duties as may be assigned by the Board of Directors. The President also shall Chair meetings of the Municipal Members of the Association. Whenever any action by the Board of Directors shall result in a specific written contract or agreement, such contract or agreement shall be signed by the President.

Section 6.3. Vice-Presidents.

The Vice-President of the region in which Association business is being conducted shall exercise the powers and duties of the President during the absence or disability of the President while in that region or in the absence of that Vice-President then the Vice-President with seniority membership in the Association shall exercise the powers and duties of the President unless and until the Board of Directors shall otherwise determine. The Vice-Presidents shall have such other powers and perform such other duties as shall be assigned by the President or the Board of Directors.

Section 6.4. Executive Director.

Appointment to the position of Executive Director shall be in accordance with Section 4.6 of these By-laws. In lieu of appointing an individual to the position of Executive Director, any or all powers and duties of the Executive Director may be vested in the President and/or other officers of the Executive Committee by resolution adopted by the Board of Directors until rescinded and/or modified by the Board of Directors. If an individual is appointed to the position of Executive Director, the Board of Directors shall determine appropriate compensation from time to time if the Board of Directors elects to compensate the Executive Director. If the President and/or other members of the Executive Committee are vested with the powers and duties of the Executive Director, the President and/or other said officers will not be compensated unless expressly imposed or conferred by resolution adopted by the Board of Directors. The Executive Director shall be the Chief Administrative Officer of the Association and shall be responsible to the members of the Executive Committee and Board of Directors for the proper and efficient administration of the affairs of the Association placed in his or her charge. The powers and duties for the administration of all Association business shall be vested in the Executive Director, unless expressly imposed or conferred by resolution adopted by the Board of Directors.

Subject to recall and/or revision by the Board of Directors, the powers and duties of the Executive Director shall include the following:

1. Supervise and be responsible for the activities of all administrative functions of the Association. Nothing in this provision is intended, however, to apply to the Association Solicitor, Special Legal Counsel, Association Engineer or responsibilities, duties and powers of the officers of the Association.
2. If and when appointed by the voting members of the Board of Directors, assume the office of Secretary and/or Treasurer or Acting Secretary and/or Acting Treasurer of the Association for a time so designated and keep all accounts and records in connection with said office(s) and perform all the duties of Secretary and/or Treasurer of the Association. If the Executive Director also serves as Secretary and/or Treasurer or Acting Secretary and/or Acting Treasurer, he or she shall not receive any additional compensation therefore.
3. Recommend to voting members of the Executive Committee the hiring of any employee, and when necessary for the good of the Association, suspend any employee under his or her supervision, subject however, to review by the voting members of the Executive Committee at its next meeting.
4. Recommend to the voting members of the Executive Committee wages and salaries of all personnel under his or her supervision.
5. Prepare and submit to the Treasurer, Secretary and Executive Committee by August 1 of each year a proposed budget for the next fiscal year and an explanatory budget message.
6. Be responsible for the administration of the budget after its adoption by the Board of Directors.
7. Develop, in conjunction with the preparation of the annual budget with the Treasurer, recommended short and long-range fiscal plans for the Association, such plans to be presented annually to the Executive Committee for its review and adoption by the Board of Directors.
8. Attend all meetings of the Executive Committee and Board of Directors and have the right to attend meetings of its committees, with the right to take part in the discussion. The Executive Director shall receive notice of special meetings of the Association and its committees.

9. Prepare the agenda for each meeting of the Executive Committee, Board of Directors, and Membership meetings.
10. Keep the Executive Committee informed on a monthly basis as to the conduct of Association affairs; submit periodic reports to the Executive Committee on the condition of the Association finances and such other reports as the Executive Committee may from time to time request; and make such recommendations to the Executive Committee as he or she may from time to time deem advisable.
11. Submit to the Executive Committee, as soon as possible at the close of the fiscal year a complete report on the finances and administrative activities of the Association for the preceding year.
12. Employ, by and with the approval of the Executive Committee, experts and consultants to perform work and to advise in connection with any of the functions of the Association.
13. Attend to the letting of contracts in due form of law; supervise the performance and faithful execution of the same except in so far as such duties are expressly imposed by statute upon some other Association Officer.
14. Be responsible for all accounts payable and receivable; in this respect see that all money owed by the Association is promptly paid and that proper proceedings are taken for the security and collection of all of the Association's claims.
15. Serve as Purchasing Officer of the Association and purchase, in accordance with the provisions of the Association's policies and procedures and any other applicable law, all supplies and equipment for the agencies, boards, committees, departments and other offices of the Association; he or she shall keep an account of all purchases and shall, from time to time or whenever directed by the Executive Committee, make a full written report thereof. The Executive Director shall also issue rules and regulations, subject to the review of the Executive Committee and approval by the Board of Directors, governing the procurement of all Association supplies and equipment.
16. Investigate and dispose of all complaints regarding Association services and personnel, and report to the Executive Committee thereon. All complaints regarding Association services shall be referred to the office of the Executive Director.
17. Enforce the regulations, policies and procedures of the Association.
18. Perform such other duties as may be from time to time by resolution of the Board of Directors be conferred upon the Executive Director.
19. If the Executive Director becomes ill or needs to be absent from the Association, he or she shall designate one qualified member of his or her staff, subject to approval by the President, to temporarily perform the duties of Executive Director during such absence or disability. The person so designated shall not perform such duties for a period longer than two (2) weeks without the approval of the entire Executive Committee.
20. These By-laws do not constitute an employment agreement between the Association, its Board of Directors, Executive Committee and officers and members of the Association and the Executive Director and the preceding responsibilities of the Executive Director are intended for illustrations of the various types of work and responsibilities that may be required. The omission of specific statements of responsibilities and duties does not preclude them. The Executive Director shall perform such additional duties in connection with the operation of the Association as customarily pertain to the office of Executive Director or as assigned by the President or the Board of Directors. The Executive Director and support staff of the Association are considered Employees-at-will and serve at the pleasure of the Board of

Directors. Termination and/or resignation of the Executive Director shall be addressed by the Board of Directors.

Section 6.5. Secretary.

The Secretary in working with the Executive Director shall be the custodian over the official records of the Association and maintain the records in good order. The Secretary, or his or her designee as Acting Secretary in the absence of the Secretary, shall keep the minutes of all meetings of the Municipal Members, the Board of Directors, and the Executive Committee. The Secretary shall certify copies of any book, paper, record, By-Law, rule, regulation, policy, resolution or proceeding of the Association. The Secretary shall attest the execution of all instruments, record all resolutions and attest the same by his or her signature. The Association shall furnish the Secretary with such dockets, books, forms and files as are necessary for the conduct of his or her office, such dockets, books, forms and files to be and remain the property of the Association. He or she shall deliver to his or her successor all books, papers and other records and things belonging to the Association. The Secretary shall calculate and notify members of their dues and any other fees and charges payable under these By-laws and of their weighted votes. The Secretary shall be responsible for giving and serving notices of meetings of the Regular Members, the Board of Directors and the Executive Committee as required by these By-laws. The Secretary shall perform such other duties in connection with operation of the Association as customarily pertain to the office of Secretary or as are assigned by the President or the Board of Directors.

Section 6.6. Treasurer.

The Treasurer shall have responsibility for oversight of the financial affairs of the Association. The Treasurer in working with the Executive Director shall supervise the collection and distribution of the funds of the Association in accordance with its budget and shall render semi-annual and annual accountings to the Executive Committee and the Board of Directors of all receipts and disbursements. All monies received by any officer, or other person, for the use of the Association shall be forthwith turned over to the Association Treasurer. The Treasurer shall deposit all monies received by him or her in a bank or banking institution in the name of the Association. All expenditures shall be paid out of funds in the treasury only when authorized by the Treasurer, upon an order signed by the President of the Association and the Association Secretary. Such order shall not be executed unless there is money in the treasury available therefore. The Treasurer shall invest monies of the Association in accordance with policy and procedures established by the Board of Directors. The Treasurer shall perform such additional duties in connection with operation of the Association as customarily pertain to the office of Treasurer or as are assigned by the President or the Board of Directors.

ARTICLE VII. MISCELLANEOUS.

Section 7.1. Meetings.

- A. Any Municipal Member, Director, or member of the Executive Committee may waive in writing any notice of any meeting required to be given to such person by these By-laws. Attendance at a meeting of the Municipal Members by a Municipal Member, a meeting of the Board of Directors by a Director, or a meeting of the Executive Committee by a member of that Committee, shall constitute a waiver by such person of notice of the meeting, except where such attendance is stated at the outset to be for the express purpose of objecting that the meeting has not been lawfully called or convened.
- B. The order of business of any meeting of any Executive Committee and of the Municipal Members shall be determined by the President. The order of business of any meeting of the Board of Directors shall be established by the President. The order of business of any such meeting may be changed by a two-thirds (2/3) vote of those present and voting.

- C. Any meeting of the Municipal Members, Board of Directors or the Executive Committee may be adjourned and continued at a specific time and place without further notice other than the oral notice given upon adjournment.
- D. Any meeting of the Board of Directors or the Executive Committee may be held in person, by telephone or by other electronic means in accordance with procedures established by the Board or the Executive Committee, respectively. Any action that may be taken at a meeting of the Board of Directors or the Executive Committee may be taken instead by a writing signed by all members of the Board or the Executive Committee.
- E. Any notice of meeting required by these By-laws to be given by mail or facsimile transmission may be given instead by other electronic means, in accordance with procedures established by the Board of Directors.
- F. Except where they conflict with a specific provision of these By-laws, the most current edition of *Roberts Rules of Order* shall govern all meetings of the Municipal Members, the Board of Directors and the Executive Committee.

Section 7.2. Indebtedness.

All checks, drafts and other orders for payment of money, bonds and other evidences of indebtedness shall be signed by one or more officers, agents or employees of the Association, and in such manner, as the Board of Directors may authorize by resolution. No Municipal Member, Associate Member or Honorary Life Member of the Association shall be liable for debts of the Association to any other person or entity whatsoever, for any amount in excess of the dues, special assessments and special service fees owed to the Association in accordance with these By-laws.

Section 7.3. Indemnification of Directors, Officers and Employees; Limitation of Personal Liability of Directors.

A. Every director, officer, or employee of the Association may be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party, or in which they may become involved, by reason of their being or having been a director, officer, or employee of the Association, or any settlement thereof, whether or not they are a director, officer, or employee of the Association at the time such expenses are incurred. Notwithstanding the foregoing, the indemnification provided in this section shall only apply if the indemnified party acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association and with respect to any criminal proceeding, had no reasonable cause to believe the conduct was unlawful. Moreover, the indemnification shall not apply in cases wherein the director, officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, or employee may be entitled. For purposes of the preceding right of indemnification the term "director, officer, or employee" shall be construed to include all Executive Officers, Board Members, committee members, and staff employees, whether salaried or not. The Board shall have the right to approve the selection of counsel retained by the indemnified party and shall also have the right to approve any settlements (or require settlements) to resolve claims or actions giving rise to indemnification under this Section. The Association may supplement the right of indemnification specified above by purchase of insurance, indemnification agreements and advances for related expenses of any person indemnified.

B. To the fullest extent that the laws of the Commonwealth of Pennsylvania as in effect on the date of the adoption of this section or as such laws are thereafter amended, permit elimination or limitation of the liability of directors, no director of the Association shall be personally liable as such for monetary damages for any action taken, or any failure to take action, as a director. A director of the Association shall not be personally liable for monetary damages for any action taken or for any failure to take any action,

unless: (1) the director has breached or failed to perform the duties of his or her office under this section; or (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this section shall not apply to: (1) the responsibility or liability of the director pursuant to any criminal statute; or (2) the liability of a director for the payment of taxes pursuant to local, state or federal law.

Section 7.4. Fiscal Year.

The fiscal year of the Association shall be January 1 through the following December 31, or as otherwise fixed by a resolution of the Board of Directors.

Section 7.5. Interpretation.

Any question as to the application or interpretation of any provision of these By-laws shall be resolved by the Board of Directors, whose determination thereon shall be final.

Section 7.6. Place of Business.

The Association shall maintain its principal mailing address for place of business at a location determined by the Board of Directors.

Section 7.7. Amendments.

- A. These By-laws may be amended by the affirmative vote of two-thirds (2/3) of the Directors present and voting at any meeting of the Board of Directors; provided that, the notice of such meeting has included notice of the subject matter of any amendment to be considered. Any amendment so approved by the Board of Directors shall be mailed, or sent by electronic mail, promptly upon adoption to all Municipal Members of the Association. If a Municipal Member desires to have the amendment put to a referendum of the Municipal Members, that Member shall so notify the Secretary of the Association in writing, within thirty-five (35) days of the date upon which the amendment has been mailed, or sent by electronic mail, promptly to the Municipal Members; provided however, that in the event that these By-laws are amended by the Board of Directors in order to comply with any requirement of the Internal Revenue Service, or otherwise to secure or maintain the tax exempt treatment of the Association, then in that event there shall be no right of referendum by the Municipal Members, and the such amendment of these By-laws shall take effect immediately upon the action of the Board of Directors.
- B. If, upon expiration of such thirty-five (35) day period, less than one-fifth (1/5) of the Municipal Members of the Association have notified the Secretary of their desire to have the amendment put to a referendum, the amendment shall be deemed approved and/or adopted. If one-fifth (1/5) or more of the Municipal Members have duly notified the Secretary of their desire to have the amendment put to a referendum, the Secretary shall promptly draft a referendum notice containing the proposed amendment, an explanation of the issue and a ballot. The referendum notice shall be approved by the Executive Committee. The Secretary shall then mail the referendum notice and ballot to each Municipal Member of the Association, together with instructions that state that each Municipal Member must file its ballot signed by its Representative with the Secretary within forty-five (45) days of the date upon which the ballot was mailed by the Secretary to the Municipal Members.
- C. No ballot shall be counted unless it is received by the Secretary by mail, facsimile transmission or other method of receipt approved by the President by or on the due date. To be adopted, any proposed By-law amendment submitted to a referendum under this Section must be approved by a majority of votes cast in the referendum. The Secretary shall be responsible for counting the votes cast and shall certify to the President the number of votes in

favor and against the amendment. The President shall then declare the outcome of the referendum and inform the Municipal Members. A referendum shall have no effect whatsoever if less than one-quarter (1/4) of the votes entitled to be cast by Municipal Members have been cast in the referendum.

- D. A proposed amendment to these By-laws may be initiated by any Municipal Member, provided that the proposed amendment is in writing and submitted to the Secretary signed by at least five (5) other Representatives of Municipal Members. Upon receipt of such a proposed amendment, the Secretary shall submit the proposed amendment to the Board of Directors for its action. If the Board of Directors declines to adopt the proposed amendment, the Members proposing the amendment may initiate a referendum to approve the proposed amendment, provided that the proposed amendment must be submitted to the Secretary in writing a second time within sixty (60) days after the Board's action and be signed by at least twenty-five (25) Representatives of Municipal Members. In such event, the proposed amendment shall be submitted to the Municipal Members by a referendum in accordance with the procedures set forth in this Section.