CHESTNUT HILL COMMUNITY ASSOCIATION (PA), INC.
(THE "ASSOCIATION")

BYLAWS

AMENDED AND RESTATED AS APPROVED

APPROVED BY THE EXECUTIVE COMMITTEE

NOVEMBER 10, 2016

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ARTICLE I: THE ASSOCIATION

A. NAME OF THE ASSOCIATION

The name of the Association is the "Chestnut Hill Community Association (PA), Inc." (the "Association"). The Association was originally formed in 1959 as a Delaware nonprofit, nonstock corporation operating two divisions: the Community Association and the Chestnut Hill Local. In 2016, the Association reorganized the two divisions into two separate corporations: the Association and the Chestnut Hill Local, Inc.

In 2016, the Association became incorporated under the Pennsylvania Nonprofit Corporation Law of 1988, as amended ("PaNPCL"), as a Pennsylvania nonprofit corporation and Pennsylvania law shall govern its operations. The Association does not contemplate pecuniary gain or profit, incidental or otherwise.

The Association is incorporated exclusively for charitable, religious, educational and scientific purposes as contemplated by and in compliance with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent tax laws of the United States (the "Code").

B. AREA OF INTEREST

The Association's area of interest is the section of Philadelphia known as Chestnut Hill (the areas in Philadelphia County northeast of Forbidden Drive and northwest of the Cresheim Creek) and its environs.

C. PURPOSES

1. Without limiting the generality of the foregoing, the purposes of the Association shall be:

a. Generally, to encourage a sense of community in the section of the city of Philadelphia known as Chestnut Hill and its environs, to foster a quality of life beneficial to that community, to lessen the burden of government and to serve in the public interest;

b. To seek comprehensive and long range solutions, undertake studies, initiate programs, cooperate with other entities (private or governmental), and coordinate community efforts;

c. To maintain and improve the quality of life of the Chestnut Hill community;

d. To assist and provide support to charitable endeavors and organizations within the community;

e. To educate and update the community regarding charitable, religious, educational, and civic concerns;

f. To encourage participation by members of the community in the formulation of its policies with the purpose of insuring that the

Association's activities will be consistent with the expressed wishes of the community, democratically arrived at; and

g. To do all things which may be necessary, appropriate or convenient to the achievement of the foregoing purposes and which may lawfully be done by a nonprofit corporation under and pursuant to the laws of the Commonwealth of Pennsylvania and which are not otherwise prohibited by its Articles of Incorporation or Bylaws.

D. FISCAL YEAR

The Fiscal Year of the Association begins on July 1 and ends on June 30 of the following year.

E. AFFILIATED ORGANIZATIONS

1. Chestnut Hill Local, Inc.

The Chestnut Hill Local ("Local") is integral to fulfilling the mission of the Association. It is a Delaware non-profit, non-stock corporation. The day-to-day management of the Local shall be conducted as stated in its bylaws.

The Association is the sole voting member of the Local and shall have such reserved corporate powers as are specified in the Local's bylaws. The Local's Board shall issue two reports per year to the Association regarding the status and activities of the Local. The reports shall be presented in person by the President of the Local, or the Local Board's designee, at the Annual and October meetings of the Association's Board.

The Local's Bylaws require specific approval by the Association of the following actions:

a. *Sale of the Local*. Sale of the Local or substantially all of its assets, including the liquidation or dissolution of the Local, requires the approval of a resolution incorporating the language of the resolution of the Local by three-quarters of the entire Association Board at two successive Regular Meetings of the Board and subsequently by three-quarters of those present at a Meeting of the Members of the Association attended by at least 10 percent of the entire Membership.

b. *Appointment of Directors of the Local*. The Association, as sole voting member of the Local, appoints the Local's Board of Directors. The appointment of a Director to the Local's Board shall be approved by the majority vote of those Association Directors present at a meeting of the Board called for such purpose.

c. *Amendment of the Bylaws of the Local*. Amendment of the Local's by-laws requires approval by the majority vote of those Directors present at a meeting of the Association's Board called for such purpose; provided that any proposal to amend, alter, repeal or remove any provision of the Local's bylaws regarding the sale of the Local or substantially all of its assets requires the approval of a resolution by three-quarters of the entire Board at two successive Regular Meetings and subsequently by three-quarters of those present at a meeting of the Members attended by at least

10 percent of the entire Membership. Notice of any proposed action to change the Bylaws regarding the sale of the Local or its assets must be published in the Chestnut Hill Local not less than 30 days prior to the meeting of the Members at which such matter is to be considered.

2. Chestnut Hill Community Fund.

The Chestnut Hill Community Fund is a 501(c)(3) trust created by the Association to maintain a permanent endowment for the preservation of the beauty of the community and the quality of life for its members. The Trustees of the Fund are elected by the Association's Board. The Trustees of the Fund issue two reports per year to the Association regarding the status and activities of the Fund. The reports shall be presented in person by the President of the Fund, or the Trustees' designee, at the Annual and October meetings of the Board.

F. OFFICES OF THE ASSOCIATION

1. Principal Office

The principal office of the Association in the State of Pennsylvania is Second Floor, 8434 Germantown Avenue, Philadelphia, Pennsylvania. The Board may change the location of the principal office in Pennsylvania to another location in Chestnut Hill.

2. Other Offices

The Association may maintain other offices in the area of Chestnut Hill at the specific direction of the Board of Directors.

G. CONDUCT OF BUSINESS BY THE ASSOCIATION

1. Meetings

a. Notice

Except as otherwise provided in these Bylaws, the Association must give public notice of the date, time, location, and agenda of all meetings of the Association, the Board and any standing committees of the Association at least seven days in advance of the meeting. Publication of notice in the Chestnut Hill Local, or a posting on the Association's website with an email notification to all email addresses on record for the Association's Members, shall constitute public notice.

b. Reporting Member and Board Actions

Actions by the Members and the Board of Directors of the Association shall be reported promptly to the public by either publication of the actions in the Chestnut Hill Local or publication of the minutes of the meeting on the Association's website.

2. Funds

Committees and other persons conducting activities in the name of the Association shall promptly remit to the Treasurer all funds received in transacting Association business. The Treasurer keeps proper account of all committee and Association funds.

3. Public Positions

Unless authorized by the Board, no individual Director, committee or employee may make public statements for the Association. A committee chair or his or her designee may make public statements on the committee's actions.

4. Maintenance of Records

The Association shall maintain corporate records of its proceedings, including the Bylaws, a list of Members, a list of the Association's committees and minutes of meetings of the Association and its committees. The records shall be maintained for at least the duration required by law.

ARTICLE II: MEMBERSHIP

A. ELIGIBILITY

Any individual, non-profit institution, or business interested in the welfare of Chestnut Hill is eligible for membership in the Association. Each member has one vote.

B. TYPES OF MEMBERS

1. Individual Members

A person 18 years of age or older becomes a Member upon payment of the Annual Assessment. This Assessment entitles every individual residing at the same household, who is 18 years of age or older, to become a Member.

2. Other Members

Organizations and commercial activities including businesses, corporations, partnerships, proprietorships, unincorporated associations, or non-profit institutions become a Member upon payment of the Annual Assessment.

C. ANNUAL ASSESSMENT

Payment of the Annual Assessment entitles each person, organization, or commercial activity to membership for one year from the date of payment.

D. MEMBERSHIP LIST

The Association's corporate Secretary maintains a list of current Members. No one shall use the Membership List for other than official business of the Association without prior approval of the Board of Directors.

E. MEMBERSHIP MEETINGS

1. Annual Meeting of Members

The Association conducts its Annual Meeting of Members during June/July of each year.

2. Special Meeting of Members

The Board of Directors or the Executive Committee may call a Special Meeting of the Members. The President, upon the written request of 100 Members, must call a Special Meeting of Members. The 100 Members must submit their request in writing to the President or Secretary not less than 30 days before the Special Meeting. The written notice states the purpose of the Special Meeting.

3. Notice

The Association shall notify its Members of the location and time of each Meeting of Members, and, in addition, the purposes of Special Meetings. Notice of the Annual Meeting of Members must be provided at least 30 days in advance of the Annual Meeting and shall include the agenda for the meeting and a ballot for any actions scheduled to be presented for a vote at the meeting. Notice of a Special Meeting shall be provided at least 15 days in advance of the Special Meeting and include a ballot for any actions to be presented for a vote at the Special Meeting.

4. Quorum

The number of Members entitled to vote who are present, in person or by ballot, at any Meeting of Members constitutes a quorum for transaction of business.

5. Voting

To be eligible to vote, members must be in good standing on the last day of the month prior to a membership vote. All properly completed ballots received by the Association, or votes cast electronically, if such voting is offered by the Association, in advance of the start of any Annual or Special Meeting shall be accepted and counted. Voting by proxy shall not be permitted. The Judges of Election, in consultation with the Secretary, have sole authority to determine the validity of a ballot.

ARTICLE III: DIRECTORS

A. GENERALLY

1. Duties and Powers

a. The business and affairs of the Association shall be managed under the direction of the Board of Directors. The Board shall exercise all powers and duties imposed upon the Board by applicable law and these bylaws.

b. The Board of Directors elects the Officers and At-Large members of the Executive Committee at the Organizational Meeting each year.

c. The Board is the governing body of the Association and determines all policy.

d. Unless the Bylaws state otherwise, the Board determines the purpose, scope, authority, and membership of all committees and approves their respective guidelines.

e. The Executive Committee shall determine the number, duties, powers, and compensation of the Association's employees and report on their actions to the Board of Directors.

f. Members of the Board of Directors are entitled to attend any Association committee meetings held in Executive Session, unless the director has a conflict of interest (as defined by the Association's Conflict of Interest Policy for Directors) relating to the subject matter under discussion.

2. Compensation

Officers and Directors serve without compensation. By resolution adopted by the Board, the Board may reimburse Officers and Directors for reasonable expenses incurred in the performance of their duties on behalf of the Association.

3. Resignation

Any Board member may resign at any time by providing written notice of resignation to the Secretary of the Association.

4. Removal

a. Cause

The Board, with cause, may remove any Director by a two-thirds vote of the entire Board at any Special or Regular Meeting of the Board.

b. Absences

Any Director who has four absences in the year commencing with the Board's annual Organizational Meeting is automatically removed from the Board.

B. CLASSES OF DIRECTORS

The Board consists of the following classes of Directors:

1. Directors At-Large.

a. Number, Qualifications. There shall be 21 Directors At-Large, with staggering terms. Any individual Member of the Association is eligible to stand for election as a Director At- Large of the Association.

b. Term. Each Director At-Large elected at the Annual Meeting shall be elected for a three year term beginning at the Organizational Meeting of the Board, unless the Director is being elected to fill a vacancy, in which case the director shall be elected for the remaining term of the Director's class. A Director may serve an unlimited number of terms.

c. Nomination. Each candidate must submit the Notice of Nomination to the Executive Director at least 30 days before the Annual Meeting of Members.

d. Election. The Board shall approve and publish election procedures at least 30 days in advance of any election. Any Member of the Association who is a Member on the last day of the month prior to the meeting where the election shall be conducted may vote in the election.

e. Vacancies. In the event of a resignation, removal or death of a Director, the position shall be filled by the next runner-up in the most recent election for the remainder of that year.

If the vacancy occurs in the first year, there will be an election for a two-year position in the next election; if the vacancy occurs in the second year, there will be an election for a one-year position at the Election.

2. Appointed Institutional and Interlocking Directors

a. Number. The Board may elect up to three Appointed Institutional/Interlocking Directors ("Appointed Directors") during any fiscal year; there shall be no more than Five Appointed Directors serving on the Board of Directors at any one time. To the extent possible, at least one of the Appointed Directors elected each year shall be from an organization that maintains an interlocking directorship with the Association. An interlocking directorship means that the organization or institution appoints a person to serve as a Director of the Association and the Board of Directors appoints a member of the Association's Board to serve on the organization's Board.

b. Eligibility. The Executive Committee recommends to the Board for approval a list eligible for nomination as Appointed Directors. An Appointed Director must be an officer or director of the represented organization, but need not be a Member of the Association if the organization represented is a Member.

c. Nomination. The Board provides the Committee on Governance with a list of eligible organizations 60 days prior to the Annual Meeting. The Committee on Governance selects nominees for Appointed Directors from this list. No organization shall be represented by more than one Appointed Director at any time.

d. Election. The Board elects up to two Appointed Directors each year at the regular meeting of the Board preceding the Annual Meeting.

e. Term. Each Appointed Director serves for two years, beginning at the Organizational Meeting of the Board following the Appointed Director's election to the Board.

f. Vacancies. A replacement within the same organization, may be approved by the Board if a vacancy occurs.

g. Special Circumstances. If an individual serving as an Appointed Director ceases affiliation with the organization, then the organization may appoint a replacement Appointed Director, subject to CHCA Board approval.

3. Past President Directors

a. Number. There is one Immediate Past President Director.

b. Eligibility. The Immediate Past President is the Past President Director.

c. Vacancies. If the Immediate Past President Director is unable to serve, the position remains vacant.

4. Composition of the Board

At no time may the number of appointed and *ex officio* members of the Board exceed the number of elected At-Large members of the Board. If at any time the number of appointed and *ex officio* members exceeds the number of elected members, the Board must take action to correct the imbalance by replacing At-Large vacancies in accordance with these Bylaws.

C. MEETINGS OF THE BOARD

1. Regular Meetings

The Board conducts regular meetings every month, except during the month of December. The first regular meeting of the Board following the Annual Meeting of the Members shall be the annual organizational meeting of the Board.

2. Special Meetings

A Special Meeting of the Board must be held when requested in writing by the Executive Committee or by three Directors. The President or Secretary must receive written notice of a Special Meeting not less than 10 days in advance of the Special Meeting. This Notice must specify the date, time, location, and agenda of the Special Meeting.

3. Quorum of and Action by Directors

Ten elected At-Large Directors constitutes a quorum. Unless a matter requires a vote by Members of the Association, the Board acts by majority vote of the Directors present at any Meeting of the Board. The Board may also act without a meeting by written consent signed by all Directors in office on the date the last consent is signed before, on or after the effective date of the action. The consents shall be filed with the Secretary.

ARTICLE IV: OFFICERS

A. OFFICERS GENERALLY

The Officers of the Association are a President, three Vice Presidents (Vice President - Operational Division, Vice President - Physical Division, Vice President - Social Division), Treasurer, and Secretary.

1. Power and Duties

a. Powers and Duties Generally

These Bylaws and resolutions of the Board define the powers and duties of the Officers. The Association does not compensate Officers for their services.

b. Emergency Powers

If an emergency requires that the Association act before the next meeting of the Board of Directors or of the Executive Committee, a majority vote of the Officers of the Association may exercise the powers of the Board. The President must report such action at the next meeting of the Board. A situation involving risk to life, mandated action by law, or risk of damage to property is an emergency.

2. Eligibility

All Officers of the Association, except the Treasurer, must be members of the Board and must have one year of Board service prior to the election. The Treasurer must be a member of the Association.

3. Committee on Governance

a. Purpose

The Committee on Governance is responsible for nominations of officers and the Executive Committee members for election by the Board of Directors, maintaining the Bylaws and Board orientation and governance education activities. It is required to meet at least once every year or more at the call of the President.

b. Nominating Function

The Committee on Governance nominates candidates for election as Officers of the Association. The committee submits its nominations to the Board at least 10 days before the Annual Organizational Meeting.

c. Bylaws and Board Education

The Committee on Governance is responsible for maintenance of the bylaws and providing the Board with director orientation and governance education assistance.

4. Election

The Board of Directors elects the President, the three Vice Presidents, the Secretary, and the Treasurer at its Annual Organizational Meeting.

Committee on Governance nominations shall be provided to all Directors at least 8 days before the Annual Organizational Meeting. Any Director may nominate an eligible candidate for an officer position by submitting to the Secretary a written nomination and an agreement to serve, signed by the nominee, not less than four days before the Annual Organizational Meeting.

5. Term

Officers hold office until the Board elects their successors at the next Annual Organizational Meeting of the Board, unless otherwise noted. Any Officer who is simultaneously a Board member may serve two consecutive one-year terms in his/her office and then must have a break of a year before running again for that position. A one-year break is not required for a Treasurer who is not a Board member.

The President is elected for an initial term of two years and is eligible to serve two consecutive one-year terms.

6. Resignation

Any Officer may resign at any time by submitting a written resignation to the Secretary or to the President of the Association.

7. Removal

The Board, with cause, may remove any Officer, as an Officer, by a two-thirds vote of the entire Board at any Special or Regular Meeting of the Board.

8. Vacancies

If a vacancy occurs in the office of President, any Vice President, Secretary, or Treasurer, the Board shall elect a replacement by majority vote of those members present at any Meeting of the Board. The Committee on Governance may nominate a Director to replace the vacancy created by the resignation, removal or death of the officer.

B. OFFICERS SPECIFICALLY

1. President

a. Duties

The President is the chair of the Board of Directors and presides at all Meetings of Members, of the Board, and of the Executive Committee. The President is an ex officio member of all committees except the Committee on Governance.

b. Presiding

In the absence of the President, the Vice President – Operational Division presides at all meetings of the members, of the Board of Directors, and of the Executive Committee. In the absence of the President and the Vice President – Operational Division, the Vice President – Physical Division presides. In the absence of the President, the Vice President – Operational Division, and the Vice President – Physical Division, the Vice President – Social Division presides.

2. Vice President - Operational Division

The Vice President - Operational Division oversees the committees established from time to time to deal with the operational and administrative functions of the Association, and ensures that all proper processes, as outlined in the Bylaws, are observed by committee chairs in the Operational Division.

The Vice President and the Committee on Governance act together to ensure that all proper nomination, election, and voting processes are observed for the Annual Meeting of Members and any Special Meeting of Members.

3. Vice President - Physical Division

The Vice President - Physical Division oversees the committees that are concerned with the physical aspects of the Association and the community at large and ensures that all proper processes, as outlined in the Bylaws, are observed by committee chairs in the Physical Division.

4. Vice President - Social Division

The Vice President - Social Division oversees the committees that are concerned with the social aspects of the Association and ensures that all proper processes, as outlined in the Bylaws, are observed by committee chairs in the Social Division.

5. Treasurer

The Treasurer receives, has custody of, and disburses all funds and securities of the Association. The Treasurer keeps the Association's accounts and makes such reports as the Board or President requires. The Treasurer arranges for the deposit of all Association funds in one or more accounts in the

name of the Association in such bank or banks as the Board or Executive Committee designates. The Treasurer serves as chairperson of the Budget and Finance Committee.

6. Secretary

The Secretary gives or provides for notice as required in these Bylaws and oversees the maintenance of proper records. The Secretary monitors the recording of the proceedings of the Association and maintenance of correspondence and records, including a membership list and a list of the Association's committees, their members, and their purposes.

ARTICLE V: COMMITTEES

A. COMMITTEES GENERALLY

1. Authority of Committees

Unless the Bylaws state otherwise, the Board determines the purpose, scope, authority, and membership of all committees and approves their respective guidelines and charters. No committee other than a Board Committee may have the authority to act on behalf of the Association and Board Committees may only act on behalf of the Association as stated in these Bylaws or in a resolution of the Board of Directors.

2. Board Committees

Board Committees are composed of only members of the Board of Directors. The Executive Committee is a standing committee of the Board.

3. Other Committees

The President, with the approval of the Board, or the Board itself, may establish other advisory committees, standing or ad hoc.

4. Committee Procedures

a. Appointment and Qualifications.

Unless the Bylaws state otherwise, the President appoints, with Board approval, any person to serve on any committee, as well as the chairpersons of each committee. Each member of a committee shall be a member of the Association.

b. List of Committees

The Secretary maintains a list of all committees, the members of each, and the date of each member's appointment.

b. Term

Unless the Bylaws state otherwise, committee members serve from date of appointment until the next Annual Organizational Meeting or until the President appoints and the Board approves a successor.

c. Vacancies

Unless the Bylaws state otherwise, provisions that govern appointment to a committee also govern appointments to vacated committee memberships.

d. Removal

Unless the Bylaws state otherwise, the Board may remove any committee member or chairperson with cause, by a two-thirds vote of the entire Board at any Special or Regular Meeting of the Board.

B. STANDING BOARD COMMITTEES

1. Executive Committee

a. Purpose and Duties

The Executive Committee reviews matters related to the Association and recommends actions to the Board. The Executive Committee exercises all powers of the Board when authorized by the Board to do so; has the authority to act for the Board in those months when the Board does not meet or in emergency situations when the Board cannot meet; approves public positions to be taken in the name of the Association; reviews the job performance of the Association's managers at least once each year; and reports its actions and recommendations to the Board at the next Regular Meeting of the Board. The Executive Committee may take action by a written consent signed by all of its members. There will be no regular meetings in December.

b. Membership

The Executive Committee consists of seven *ex officio* members and three At-Large members. The *ex officio* members are: the President, the Immediate Past President, the three Vice Presidents, the Secretary, and the Treasurer. The At-Large members of the Executive Committee are members of the Board of Directors.

c. Election /Appointment and Timing

The Board elects by ballot the three At-Large members at the Annual Organizational Meeting of the Board following the election of the President, the Secretary, the three Vice Presidents, and the Treasurer.

d. Procedure

The Committee on Governance presents nominees for At-Large members of the Executive Committee to the Board. Any member of the Board may also present nominees by written notice (including the nominee's intent and willingness to serve if elected) to the Secretary not less than four days before the Annual Organizational Meeting.

e. Tie Votes

If a tie vote occurs for the vacancy requiring the least number of votes for election, the Board conducts an immediate run-off election among those persons receiving the same number of votes. If a tie vote then results, all persons then tied serve for a one-year term.

f. Eligibility

All nominees must be members of the Board of Directors.

g. Term

At-Large members of the Executive Committee serve for one year or until the Board elects successors at the next Annual Organizational Meeting of the Board. Ex officio members serve for their terms of Office.

h. Resignation

Any At-Large member of the Executive Committee may resign by written notice given to the Secretary. Ex officio members resign from the Executive Committee by resignation from their office.

i. Removal

The Board, with cause, may remove any At-Large members of the Executive Committee by a two-thirds vote of the Board members present at any Regular or Special Meeting of the Board.

j. Vacancies

(i) At-Large Memberships. The Board fills vacancies among At-Large members of the Executive Committee by majority vote of the Board.

(ii) Past President Membership. If the Immediate Past President membership becomes vacant due to death, resignation from the Association, departure from the Area or other reason, then the position remains unfilled for the remainder of the term.

k. Meetings

The President determines the times and places of the Executive Committee's meetings. Two members of the Executive Committee may submit a signed statement, addressed to the President, requiring the President to call a meeting of the Executive Committee at a time and location stated.

C. STANDING ADVISORY COMMITTEES

Standing Advisory Committees may be established by the Board. The membership of any Standing Advisory Committee may consist of Directors and Members of the Association.

1. Committee on Governance

a. Purpose and Duties

The Committee on Governance reviews matters related to bylaws, serves as the nominating committee for the Association and oversees the Board's orientation and governance education. The Committee on Governance makes nominations for the officers of the Association, Executive Committee At-Large members, and Appointed Directors. The Committee on Governance reviews any recommendations for amendments to the bylaws or other governance documents of the Association and makes recommendations to the Board on any such matters. The Committee on Governance meets at least once a year. For each Annual Meeting of Members and any special meeting of members, the Committee on Governance shall appoint an ad hoc advisory committee of independent directors, former directors and current members of the Association to serve as the Election and Voting Procedures Committee for such

meeting. The Election and Voting Procedures Committee and the Vice President of Operations act together to ensure that all proper elections and voting processes are observed. The Committee shall make recommendations to the Committee on Governance for any improvements or modifications to the election and voting processes. The Committee of Governance shall submit any substantive changes to the process to the Board for approval in advance of the next annual meeting.

b. Membership and Eligibility

The membership shall consist of the Immediate Past President, the Vice President Administration and up to five other individuals elected by the Board of Directors. To the extent possible, the Board shall elect Committee members for staggered terms.

The President shall nominate the members of the Committee on Governance for election by the Board. All nominees must be members of the CHCA Board of Directors, past CHCA Board members, or current or past CHCF Trustees/CHL Board of Directors.

The Immediate Past President shall serve as the Chair of the Committee. In the event of a vacancy of the position of Immediate Past President, the President shall appoint another member of the Committee to serve in the position. The Chair of the Committee must be a current member of the Board of Directors.

c. Term

Members serve for three years or until the Board elects a successor.

d. Conflicts of Interest

Members must excuse themselves when conflicts of interest arise during the nominations function but may return when that effort has concluded with a board vote.

2. Budget and Finance Committee

a. Purpose and Duties

The Budget and Finance Committee recommends, reviews, and on an ongoing basis monitors the budget of the Association. The Budget and Finance Committee meets monthly to monitor the budgetary operations and the financial health of the Association, and reports monthly on those matters to the Board.

b. Membership

The Treasurer serves as chairperson of the Budget and Finance Committee. The Treasurer, with Board approval, appoints members of the Budget and Finance Committee.

3. Development Review Committee

a. Purpose and Duties

The purpose of this committee is to review all development projects in Chestnut Hill, utilizing the assistance and guidance of all available resources in the community, including committees and affiliated organizations of the CHCA; and to make a report and recommendation to the Board of Directors of the CHCA with respect to each such project.

b. Membership

Membership shall be set forth in the DRC Guidelines approved by the CHCA Board of Directors.

4. Land Use Planning and Zoning Committee

a. Purpose and Duties

The Land Use Planning and Zoning Committee (LUPZC) reviews all problems affecting land use within the community and, within the parameters of the Development Review Committee, makes recommendations for action by the Board of Directors.

b. Membership

The LUPZ Committee consists of up to 12 members.

5. Streetscape Committee

a. Purpose and Duties

The Streetscape Committee reviews matters affecting the appearance of the community and makes recommendations for Board action.

b. Membership.

The Streetscape Committee consists of at least 3 members.

6. Membership Committee

a. Purpose and Duties

The Membership Committee seeks to maintain and increase the membership of the Association.

b. Membership

Any member in good standing can be a member of the membership committee. The chairperson should reside in the Association's area of interest.

ARTICLE VI: CONFLICT OF INTEREST

A. GENERALLY

Any Director, Officer, employee, or any member of any committee of the Association who has any special pecuniary interest, direct or indirect, in any matter under consideration by the Association, or upon which the Association is taking action, shall make disclosure of such interest in writing or orally at the next meeting of the Board, and shall not participate in or vote upon any action taken by the Association with respect to such matters, provided, however that a Director, Officer, employee, or committee member shall not be deemed to have an interest for the purpose of this provision solely by reason of: a) the ownership or occupancy of residential property owned or leased by such person or any member of such person's immediate family, b) the ownership of a business property, or c) employment in a business establishment in Chestnut Hill. No employee of the Association shall be a Director or Officer of the Association.

B. EMPLOYEES OF THE ASSOCIATION

No employee of the Association may be a Director or Officer of the Association. Unless the Bylaws state otherwise, no employee of the Association may serve on any committee of the Association.

ARTICLE VII: LIMITATION OF LIABILITY AND INDEMNIFICATION

A. LIMITATION OF LIABILITY

1. No person who is or was a Director of this Association shall be personally liable for monetary damages for any action taken, or any failure to take any action, as a Director unless:

a. the Director has breached or failed to perform the duties of her or his office as set forth in appropriate sections of the PaNPCL; and

b. the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

2. This provision of the Bylaws shall not apply to:

a. the responsibility or liability of a Director pursuant to any criminal statute;

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

3. If the PaNPCL hereafter is amended to authorize the further elimination or limitation of the liability of Directors, then the liability of a Director of the Association, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended PaNPCL.

B. THIRD-PARTY ACTIONS

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that such person is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action or proceeding if such person acted in good faith and in a manner he or she 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 his or her conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

C. DERIVATIVE AND CORPORATE ACTIONS

The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a representative of the Association or is or was serving at the request of the Association as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of the action if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association. Indemnification shall not be made under this section in respect of any claim, issue or matter as to which the person has been adjudged to be liable to the Association unless and only to the extent that the court of common pleas of the judicial district embracing the county in which the registered office of the Association is located or the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses that the court of common pleas or other court shall deem proper.

D. PAYMENT OF EXPENSES IN ADVANCE

Expenses (including attorneys' fees) incurred in defending any action or proceeding referred to in Article X.A. (relating to third-party actions) or Article X.B. (relating to derivative and corporate actions) shall be paid by the Association in advance of the final disposition of the action or proceeding upon receipt of an undertaking by or on behalf of the representative to repay the amount if it is ultimately determined that he is not entitled to be indemnified by the Association as authorized in this Article or otherwise.

E. PROCEDURE TO BE FOLLOWED

Unless ordered by a court, any indemnification or advancement of expenses under Article Section X.A (relating to third-party actions), Article X.B. (relating to derivative and corporate actions) or Article X.C. (relating to advancing expenses) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he has met the applicable standard of conduct set forth in those sections. The determination shall be made:

a. by a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum;

b. by a committee of such Directors designated by a majority vote of such Directors, even though less than a quorum; or

c. if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion.

F. OTHER RIGHTS

1. General Rule

The indemnification and advancement of expenses provided by or granted pursuant to Section 1 (relating to third-party actions), Section 2 (relating to derivative and corporate actions) or Section 3 (relating to advancing expenses) shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of Directors who were not parties to the action or proceeding, or otherwise, both as to action in his official

capacity and as to action in another capacity while holding that office. Section 5728 of the PaNPCL (relating to interested directors or officers) shall be applicable to any contract or transaction authorized by the Directors under this section. The Association may create a fund of any nature, which may, but need not, be under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this section or otherwise.

2. When Indemnification is not to be Made

Indemnification pursuant to subsection (a) shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

3. Grounds

Indemnification pursuant to subsection (a) under any agreement, vote of Directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Association would have the power to indemnify the person under any other provision of law except as provided in this section and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Association.

4. Trust Property

This Article shall not affect the liability of a representative with respect to the administration of assets held by the Association pursuant to its authority to take and hold trust property.

G. INSURANCE

The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a representative of the Association or is or was serving at the request of the Association as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against that liability under the provisions of this Article.

H. APPLICATION TO SURVIVING OR NEW CORPORATIONS

For the purposes of this Article, references to “the Association” include all constituent corporations absorbed in a consolidation, merger or division, as well as the surviving or new corporations surviving or resulting therefrom, so that any person who is or was a representative of the constituent, surviving or new corporation, or is or was serving at the request of the constituent, surviving or new corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving or new corporation as he would if he had served the surviving or new corporation in the same capacity.

I. APPLICATION TO EMPLOYEE BENEFIT PLANS

For the purposes of this Article:

a. References to “other enterprises” shall include employee benefit plans;

b. References to "serving at the request of the Association" shall include any service as a representative of the nonprofit corporation that imposes duties on or involves services by the representative with respect to an employee benefit plan, its participants or beneficiaries;

c. Excise taxes assessed on a person with respect to any employee benefit plan pursuant to applicable law shall be deemed "fines";

d. Action with respect to an employee benefit plan taken or omitted in good faith by a representative of the Association in a manner he reasonably believed to be in the interest of the participants and beneficiaries of the plan shall be deemed to be action in a manner that is not opposed to the best interests of the Association.

J. DURATION AND EXTENT OF COVERAGE

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a representative of the Association and shall inure to the benefit of the heirs and personal representative of that person.

ARTICLE VIII: OTHER GOVERNANCE PROVISIONS

A. AMENDMENT OF BYLAWS

Upon the recommendation of a majority vote of the entire Board of Directors then in office, a majority of the Members of the Association present and entitled to vote at any Meeting of Members may amend, alter, repeal, or adopt new Bylaws. Bylaws that require a "super majority" may only be amended, altered or repealed by a "super majority" (see paragraphs a and c of Article I, Sections F.1). The Board must publish notice of the Meeting of the Members and any proposed action to change the Bylaws in the Chestnut Hill Local not less than 30 days prior to the Meeting.

B. RESTRICTIONS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its directors, members, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the purposes set forth in Section 1 hereof. Except as may be permitted under the provisions of Section 501(h) of the Code, no substantial part of the activities of the Association shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation. The Association shall neither participate nor intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office, nor shall it take a position on any issue raised in a political campaign for the purpose of aiding or opposing any candidate. Any other provision of these Bylaws to the contrary notwithstanding, the Association shall not carry on any activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(a) and Section 501(c)(3) of the Code; or (b) by a corporation, contributions to which are deductible under Section 170, 2055 or 2522 of the Code. These Bylaws shall not be altered or amended in derogation of the provisions of this Section.

C. PRIVATE FOUNDATION PROVISIONS

1. In the event the Association is, or in the future may become, a "private foundation" within the meaning of Section 509 of the Code.

2. The Association shall distribute its income for each taxable year at such time and in such manner as not to be subject to the tax on undistributed income imposed by Section 4942 of the Code.

3. The Association shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

4. The Association shall not retain any excess business holdings as defined in Section 4943(c) of the Code.

5. The Association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.

6. The Association shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

7. Upon dissolution, termination, merger or consolidation of the Association, it shall comply with the requirements of Section 507 of the Code.

D. TERMINATION

Upon the dissolution of the organization, its assets shall be distributed for one or more exempt purposes, within the meaning of section 501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes. Upon the sale of substantially all of the assets or the dissolution of the Association, surplus shall not be utilized for the private interest of any person.