

BYLAWS OF

O'Hara Elementary Parent Teacher Organization

A NONPROFIT CORPORATION

Adopted

August 13, 2001

Revised

July 1, 2018

**BYLAWS OF O'HARA ELEMENTARY PARENT TEACHER ORGANIZATION
A PENNSYLVANIA NONPROFIT CORPORATION**

ARTICLE 1

INTRODUCTORY

Section 1.1 **Name.** The Name of the Corporation is O'Hara Elementary Parent Teacher Organization.

Section 1.2 **Statement of Purposes.** The Corporation is organized for the purpose of (a) promoting the welfare of children and youth in home, school, and community, (b) raising the standards of home life, (c) bringing into closer relation the home and the school, ~~such~~ that families and teachers may cooperate intelligently in the education of children and youth, and (d) developing between educators and the general public such united efforts as will secure for all children and youth the highest advantages in physical, mental, and social education.

The Corporation shall foster a diverse, inclusive, and equitable school and community environment where all members and students, whatever their gender, race, ethnicity, national origin, age, sexual orientation or identity, education or disability, feels valued and respected.

Section 1.3 **Offices.** The principal and registered office of the Corporation shall be located at 115 Cabin Lane, Pittsburgh, PA 15238 or at such other place as the Executive Board may designate from time to time.

Section 1.4 **Fiscal Year.** The fiscal year of the Corporation shall end on June 30 of each year, or on such other date as may be fixed from time to time by resolution of the Executive Board.

Section 1.5 **Seal.** The corporate seal of the Corporation shall be a circle with the name of the Corporation and the state of incorporation around the border and the word "Corporate Seal" in the center.

Section 1.6 **Governing Law and Policies.** The Corporation is governed by the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time ("NPCL"). The Corporation is also governed by the Fox Chapel Area School District's School Board Policy 915 ("School Board Policy 915) and shall act in accordance with School Board Policy 915.

ARTICLE II

MEMBERS

Section 2.1 **Eligibility.** Membership in the Corporation is open to any person who is a parent or a guardian of a child attending O'Hara Elementary School or any member of the O'Hara Elementary faculty, staff, or administration without regard to race, color, creed or national origin.

Section 2.2 **Enrollment.** Eligible individuals will be considered members upon signing up for volunteer activities sponsored by the Corporation. ~~wishing to join the Corporation must opt in via the Volunteer Form.~~ Membership will be accepted on a rolling basis throughout the year, without limit.

Section 2.3 **Membership Fee.** There are no dues required in association with membership. The membership shall be from July 1 to June 30 or such other times as the Executive Board may specify from time to time.

Section 2.4 **Voting.** Each member of the Corporation is entitled to one vote on each matter before members. The manner of voting on any matter may be by voice, ballot, e-mail, or any other reasonable means. The members may not cumulate their votes for the election of board members. Proxy votes are not allowed.

Section 2.5 **Record Date.** The Executive Board may fix a time not more than 70 days prior to the date of any meeting of the members as a record date for the purpose of determining the members entitled to notice of or to vote at such meeting. In such case, only members of record on the date so fixed shall be entitled to notice and/or to vote notwithstanding any increase or other change on the books of the Corporation after the record date. If the Board does not fix a record date, then (a) the record date for determining members entitled to notice of or to vote at the meeting shall be the close of business on the date before notice is given, or if notice is waived, the date before the meeting is held, (b) the record date for determining members entitled to express consent or dissent to corporate action in writing without a meeting, when no prior Board action is required, shall be the date on which the first written consent or dissent is expressed, and (c) for any other purpose the record date shall be the close of business on the day on which the Board adopts the resolution relating thereto.

Section 2.6 **Meetings of Members.** Meetings of members may be held at such place within or without the Commonwealth of Pennsylvania, as the person calling the meeting shall indicate in the meeting notice. Unless otherwise provided in the notice, the meetings shall be held at 115 Cabin Lane, Pittsburgh, PA 15238. The members shall meet at least four (4) times during the school year. Dates of meetings, month and day, shall be determined and announced at the first general membership meeting of the year. Special meetings of the members shall be called by the Secretary upon the instruction of the President or the majority of the Executive Board.

Section 2.7 **Notice.** Written notice of the date, time and place of each meeting of the members shall be given to all members of record entitled to vote at the meeting at least ten (10) days prior to the day of a meeting at which the members will consider a fundamental change within the meaning of Chapter 59 of the NPCL and at least five (5) days prior to the date of the meeting in any other case. In the case of a special meeting, the notice shall also specify the general nature of the business to be transacted. Notice shall be provided via e-mail and/or will be published on the School District calendar and on the PTO website.

Section 2.8 **Liability of Members.** The members shall not be personally liable for the debts, liabilities or obligations of the Corporation. A member shall be liable to the Corporation only to the extent of any unpaid portion of the capital contributions, membership dues or assessments of which the Corporation may have lawfully imposed on the member, or for any other indebtedness owed by the member of the Corporation.

Section 2.9 **Quorum.** The presence in person of members entitled to cast at least ten votes shall constitute a quorum. One or more members may participate in any meeting of the members by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person. The members present at a duly organized meeting can continue to do

business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. The acts at a duly organized meeting of the members at which a quorum is present shall be the acts of the members.

Section 2. Transfer of Membership. Membership in this Corporation is nontransferable and non-assignable.

ARTICLE III OFFICERS

Section 3.1 Enumeration. The ~~elect~~ officers of the Corporation shall consist of a President, a Vice President, a Secretary, a Treasurer. ~~Officers appointed by the Executive Board will include, and a Communications and Fundraising Officer and such other officers and assistant officers as the Executive Board members may, from time to time, designate. The members may also elect a chairperson to preside at meetings of the Board and the members.~~

Section 3.2 Term of Office. Each officer shall serve for a term of two (2) years and until the officer's successor is duly elected and takes office. If no interested and eligible successor is available for election, the officer's term may be extended for a maximum of one (1) additional term.

Section 3.3 Election. All ~~elect~~ officers shall be (a) nominated by the Nominating Committee in accordance with the procedure set forth in these bylaws and (b) elected by the members at the May meeting of the members or a special meeting called for such purpose. At least thirty (30) days prior to the May meeting of the members, the Nominating Committee shall submit to the members at least one name for each office. Before the election the President shall call for nominations from the floor, the members entitled to vote shall elect the officers from the slate prepared by the Nominating Committee and nomination from the floor.

Section 3.4 Vacancies. A vacancy occurring in any office other than President, shall be filled for the unexpired term by a person elected by a majority vote of the Executive Board.

Section 3.5. President. The President shall be responsible for overseeing the affairs of the Corporation and shall preside at all meetings of the members and the Board. The President shall be a member ex officio of all committees except the Nominating Committee. The President shall coordinate the work of the officers and committees of the organization in order that the purposes of the corporation may be promoted. The President shall serve as the advisor to the Executive Board after his/her term in office.

Section 3.6 Vice President The Vice President shall act as an aide to the President and perform the duties of the President in the absence or inability of that officer to serve. The Vice-president shall be nominated to the office of President at the end of his/her term, if said Vice-President chooses to be nominated.

Section 3.7 Recording Secretary. The ~~Recording~~ Secretary shall record and distribute minutes of all Executive Board meetings and all general PTO meetings, prepare agendas for official PTO meetings, and hold historical records for the PTO. ~~The Secretary shall also manage communications and marketing for the PTO, including but not limited to PTO emails, website, newsletters, etc.~~ The Secretary shall also be responsible for the timely delivery of all notices of meetings of the Executive Board and the members, shall affix the corporate seal at the direction of the President and, generally will perform all duties

incident to the office of Secretary of a corporation and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, which may be assigned from time to time by the Executive Board.

Section 3.8 Treasurer. The Treasurer shall supervise the financial activities of the Corporation. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) a system is in place such that all monies and other valuable effects are deposited in the name and to the credit of the Corporation in such depositories as shall be designated by the Board, (c) the Board Members at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Corporation, (d) disbursements are authorized by the President, Executive Board, or organization in accordance with the budget adopted by the association, and (e) checks or vouchers greater than \$200 are signed by two persons, the Treasurer and one other Officer of the Corporation. In performing these functions, the Treasurer may rely on employees of the Corporation or any members or officers who possess special financial training and skills.

Section 3.9 Fundraising Officer. The Fundraising Officer shall create a plan for reaching fundraising goals as set forth by the Executive Board. The Fundraising Officer shall coordinate and communicate the implementation of various fundraising activities voted upon by the Executive Board and the general members.

Section 3.10 Communications Officer. The Communications Officer shall be responsible for all communications and marketing for the PTO, including but not limited to PTO emails, website, social media accounts, etc. The Communications Officer may create a Communications Committee to assist with these responsibilities.

Section 3.11 Advisor. The Advisor, being the former President, will assist, as needed, the current President regarding business at hand.

Section 3.12 Other Officers. Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Executive Board from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer which the assistant officer assists in the event such officer is unable to perform such responsibilities or duties, except that no assistant officer shall become a Board Member solely by virtue of being an assistant officer.

Section 3.14 Removal of Officers. Any officer elected or appointed to office may be removed by the persons authorized under these Bylaws or the Corporation's Articles of Incorporation to elect or appoint such officers whenever in their judgement the best interests of the Corporation will be served.

Section 4.1 Authority. Subject to the rights of the members and any limitation set forth elsewhere in these Bylaws or the Articles of Incorporation of the Corporation or the NPCL, the affairs of the Corporation shall be under the general direction of the Executive Board which shall administer, manage, preserve and protect the property of the Corporation.

Section 4.2 Number and Term. The Executive Board shall consist of the officers of the Corporation listed in sections 3.5 through 3.11, inclusive, and the principal of O'Hara Elementary School. Each Board Member shall serve for a term of two years or until such Board Member's successor has been duly elected and qualified or until the Board Member's earlier death, resignation or removal.

Section 4.3 Other Duties. The President shall serve as the chairman of the Executive Board. The Executive Board may (a) create standing and special committees, (b) approve the plans of the work of

the standing committees, (c) present a report at the regular meetings of the Corporation (d) select an auditor or an auditing committee to audit the Treasurer's accounts, (e) prepare and submit to the association for adoption a budget for the year, and (f) approve routine bills within the limits of the budget.

Section 4.4 Compensation. No compensation shall be paid to any Board Member for services as a Board Member, but at the discretion of the Board, a Board Member may be reimbursed for actual expenses necessarily incurred in performing duties on behalf of the Corporation.

Section 4.5 Meetings. The Board shall meet at dates and times established by the Board. Special meetings shall be called by the Secretary upon the order of the President or at the written request of a number of Board Members constituting a quorum of the Board Members then in office and entitled to vote. All meetings of the Executive Board shall be held at the registered office of the Corporation unless otherwise designated in the notice.

Section 4.6 Quorum. At all meetings of the Executive Board, the presence of a majority of the Board Members in office and entitled to vote shall constitute a quorum. In addition to those present at such meeting if a telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time is used. The act of a majority of the Board Members entitled to vote at a meeting at which a quorum is present shall be the act of the Board. A majority of the Board Members present and entitled to vote, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the Board Members who are not present at the time of adjournment.

Section 4.7 Voting. Each Board Member entitled to vote shall be entitled to one vote on each matter submitted to a vote of the Executive Board.

Section 4.8 Notices. Written notice of the date, time and place of each meeting of the Executive Board shall be given to all Board Members at least five (5) days in advance of the date thereof. Such notice shall set forth the date, time and place of the meeting.

Whenever written notice is required to be given to a Board Member under this Section 4.8, it may be given to the Board Member personally or by sending a copy thereof by email.

Section 4.9 Standard of Care and Fiduciary Duty. Each Board Member shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Board Member, including his or her duties as a member of any committee of the Board upon which the Board Member may serve, in good faith, in a manner the Board Member reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Board Member shall be entitled to rely in good faith on information, opinion, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) one or more officers or employees of this Corporation whom the Board Member reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants or other persons as to matters which the Board Member reasonably believes to be within the professional or expert competence of such persons; and

- (c) a committee of Board of this Corporation upon which the Board Member does not serve, as to the matters within its designated authority, which committee the Board Member reasonably believes to merit confidence.

A Board Member shall not be considered to be acting in good faith if the Board Member has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

Section 4.10 Factors Which May be Considered by Board Members. In discharging the duties of their respective positions, the Executive Board, committees of the Board and individual Board Members may, in considering the best interests of this Corporation, consider to the extent they deem appropriate:

- (a) the effects of any action upon any or all groups affected by such action, including members, employees, suppliers, customers and creditors of the Corporation, and upon communities in which offices of the Corporation are located;
- (b) the short-term and long-term interests of the Corporation, including the benefits that may accrue to the Corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the Corporation;
- (c) the resources, intent and conduct (past, stated and potential) of any person seeking to acquire control the Corporation; and
- (d) all other pertinent factors.

The Executive Board, committees and Board Members are not required, in considering the best interest of the Corporation or the effect of any action, to regard any corporate interest or the interests of any particular group affected by such action as dominant or controlling interest or factor.

Absent breach of fiduciary duty, lack of good faith or self-dealing, any act as the Executive Board, a committee of the Board or an individual Board Member shall be presumed to be in the best interests of the Corporation. In assessing whether the standard set forth in Section 4.10 hereof has been satisfied, there shall not be any greater obligation to justify, or higher burden of proof with respect to, any act as the Board, committee or an individual Board Member relating to or affecting an acquisition or potential or proposed acquisition of control of the Corporation than the preceding provisions of this Section 4.10, any act as the Board, committee or an individual control to which a majority of the disinterested Board Member shall have assented and shall be presumed to satisfy the standard set forth in Section 4.10, unless it is proven by clear and convincing evidence that the disinterested Board Members did not assent to such act in good faith after reasonable investigation.

The term “disinterested Board Members” means, solely for purpose of this section,

- (a) A Board Member of the Corporation other than
 - (i) a Board Member who has a direct or indirect financial or other interest in the person acquiring or seeking to acquire control of the Corporation or who is an affiliate or associate of, or was nominated or designated as a Board Member by, a person acquiring or seeking to acquire control of the Corporation; or
 - (ii) Depending upon the specific facts surrounding the Board Member and the act under consideration, an officer or employee or former officer or employee of the Corporation.

A person shall not be deemed to be other than a disinterested Board Member solely by reason of any or all of the following:

- (i) The ownership by the Board Member of a membership in or shares of the Corporation;
- (ii) The receipt as a member of, or holder of shares of any class of, any distribution made to all members of or holders of shares of that class;
- (iii) The receipt by the Board Member of board member's fees or other consideration as a Board Member;
- (iv) Any interest the Board Member may have in retaining the status or position of a Board Member;
- (v) The former business or employment relationship of the Board Member with the Corporation; or
- (vi) Receiving or having the right to receive retirement or deferred compensation from the Corporation due to service as a Board Member, officer or employee.

Section 4.11 Rules and Regulations. The Executive board may adopt rules and regulation not inconsistent with these Bylaws for the administration and conduct of the affairs of the Corporation and may alter, amend or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the Board Members present and entitled to a vote at a meeting of the Executive Board where a quorum is present.

Section 4.12 Removal of Board Members. The entire Executive Board or any class thereof or any individual Board Member may be removed from office without assigning any cause by the vote of the members entitled to cast at least a majority of the votes that all members present would be entitled to cast at any meeting of the members. New Board Members shall be elected at the same meeting. Unless the entire Board or class is removed, no individual Board Member shall be removed if the votes cast against the individual Board Member's removal, if cumulated, would be sufficient to elect one Board Member.

Section 4.13 Consents. Any action that may be taken at a meeting of the Board may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Board Members in office and entitled to vote and shall be filed with the Secretary of the Corporation.

Section 4.14 Conflicts of Interest. An actual or potential conflict of interest exists when any of the following exists:

- 1) An officer or Board Member has an ownership or investment interest in or compensation relationship with an organization with which the Corporation does or proposes to do business or an organization that competes with the Corporation; or
- 2) An officer or Board Member receives remuneration for performing services for the Corporation and Corporation is determining his or her remuneration; or
- 3) An officer or Board Member serves as an officer or Board Member or key employee of an organization that competes with or does business with the Corporation.

A conflict also exists when a similar circumstance exists with respect to a family member of a Board Member or company 35% owned by a Board Member and/or his or her family members. Annually, each

Board Member and officer shall complete a disclosure statement reflecting his or her interests, upon request of the Corporation.

Board Members shall act in a manner intended to further the best interests of the Corporation. If at any time a Board Member (i) has or may have a conflict of interest, or (ii) is unable to act in the best interests of the Corporation on any issue because of a personal situation, employment, conflicting interest, or other reason, the Board Member shall recuse himself or herself from voting on the subject and shall leave the room while the matter is discussed. Recusing himself or herself shall not prevent a Board Member from participating in other activities or discussion where no conflict of interest exists.

The Board may approve a transaction that is the subject of a conflict only if it has determined (i) that the transaction or arrangement is in the Corporation's best interest and for its own benefit, (ii) that is fair and reasonable to the Corporation and (iii) after exercising due diligence, the Corporation would not obtain a more advantageous transaction with reasonable efforts under the circumstances. Where appropriate the board shall obtain comparable information to assist it in reaching such conclusions.

The minutes of all meetings shall reflect (i) the names of the persons who disclosed any conflicts; (ii) the determination as to whether an actual or potential conflict of interest existed; (iii) the names of the persons who were present for discussion and votes relating to the transaction or arrangement; (iv) the content of the discussions, including any alternatives to the proposed transaction or arrangement and the basis for the determination of the Board, including any comparability data; (v) the voting record, including any abstentions from voting; and (vi) any action to be taken.

ARTICLE V **COMMITTEES**

Section 5.1 **Committees.** The Corporation shall have a Nominating Committee. There shall be such other standing and ad hoc committees as the Board may deem advisable in the administration and conduct of the affairs of the Corporation. **Committee chairs are required to be approved to volunteer in the District.** Such committees of the Board shall meet as necessary to accomplish their goals. The Board is authorized in its discretion to approve reimbursement actual expenses necessarily incurred by the members of committees in performing other official duties as such. Except as otherwise provided in these bylaws or in the resolution creating the applicable committee, committee chairpersons and members shall be appointed annually by the President and may be reappointed to a committee for an unlimited number of terms. Persons who are not Board Members are eligible to serve as committee members. Any person authorized by these bylaws to appoint the chairman and/or members of any committee may appoint himself or herself as chairman and/or member. The chairman of each committee shall determine the date and place of all committee meetings. Each committee may adopt its own rules of procedure not inconsistent with these bylaws.

Section 5.2 **Limitation on Power of Committees.** No such committee shall have any power or authority as to the following:

- (a) the submission to the members of any action requiring approval of the members;
- (b) the filing of vacancies in the Executive Board;
- (c) the adoption, amendment or repeal of the bylaws;
- (d) the amendment or repeal of any resolution of the Board; or

- (e) action on matters committed by the Bylaws or a resolution of the Board to another Committee of the Board.

Section 5.3 Nominating Committee. The Nominating Committee shall consist of three (3) persons appointed by the Executive Board. The Nominating Committee shall nominate an eligible person for each office to be filled. An eligible person is a member of this PTO for at least three (3) months and a parent or guardian of a child enrolled in O'Hara Elementary School. To be eligible for the Presidency a person must have served on the Executive Board for one year. If an eligible candidate from the Executive Board is not available or willing to serve, Committee Chairs and active Members will be considered eligible for office. **All Officers must be approved to volunteer in the District.**

ARTICLE VI

LIMITATION OF PERSONAL LIABILITY OF BOARD MEMBERS

Section 6.1 Limitation of Board Members' Personal Liability. A Board Member of the Corporation shall not be personally liable for monetary damages for any action taken unless the Board Member has breached or failed to perform the duties of his office under Chapter 57, Subchapter B of the NPCL as in effect at the time of the alleged action by such Board Member and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Such limitation on liability does not apply to the responsibility or liability of a Board Member pursuant to any criminal statute or for payment of taxes pursuant to any Federal, state or local law.

Section 6.2 Preservation of Rights. Any repeal or modification of this Article by the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Board Member or former Board Member may be entitled to under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Board Member of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VII

INDEMNIFICATION

Section 7.1 Mandatory Indemnification of Board Members and Officers. The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law (including but not limited to the indemnification provided by Chapter 57, Subchapter D of the NCPL), each Board Member and/or officer (including each former Board Member or officer) of the Corporation who was or is threatened to be made a party to or a witness in 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 Corporation, by reason of the fact that the Board Member or officer is or was an authorized representative of the Corporation, or is or was serving at the request of the Corporation as a representative of the Corporation as a representative of another domestic or foreign corporation for profit or non-for-profit, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by the Board Member or officer in connection with such action, suit or proceeding if such Board Member or officer acted in good faith in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation 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 judgement, 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 in a manner that he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 7.2 Mandatory Advancement of Expenses to Board Members and Officers. The Corporation shall pay expenses (including attorneys' fees) incurred by a Board Member or officer of the Corporation referred to in Section 7.1 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 7.1 hereof in advance of the final disposition of such action, suit or proceeding, only upon receipt of an undertaking by or on behalf of such Board Member or officer to repay all amounts advanced if it shall ultimately be determined that the Board Member or officer is not entitled to be indemnified by the Corporation as provided in Section 7.4 hereof.

Section 7.3 Permissive Indemnification and Advancement of Expenses. The Corporation may, as determined by the Executive Board from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is or is threatened to be made a party or a witness in, or is otherwise involved in, 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 Corporation, by reason of the fact that such person is or was an authorized representative of the Corporation or is or was serving at the request of the Corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit 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 be, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Corporation may, as determined by the Executive Board from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 7.3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 7.4 hereof.

Section 7.4 Scope of Indemnification. Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the NPCL or any successor statute as in effect at the time of such alleged action or failure to take action.

Section 7.5 Miscellaneous. Each Board Member and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members, disinterested Board Members, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an

authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Indemnification and advancement of expenses under this Article shall be provided whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. Any repeal or modification of this Article by the members or the Executive Board of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.

Section 7.6 Definition of Authorized Representative. For the purposes of this Article, the term “authorized representative” shall mean a Board Member, officer or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by an corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the request of the Corporation. The term “authorized representative” shall not include money managers or investment advisors (or any employee thereof) hired by the Corporation, and shall not include agents of the Corporation unless indemnification thereof is expressly approved by the Executive Board.

Section 7.7 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under this Article VII or the NPCL shall be made only following a determination that the indemnification is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct. Such determination shall be made

- (a) by the Executive Board by a majority vote of a quorum consisting of Board Members who were not party to the action or proceeding;
- (b) if such a quorum is not obtainable or if obtainable and a majority vote of a quorum of disinterested Board Members so directs, by independent legal counsel in a written opinion;
- (c) by the members.

ARTICLE VIII

RESTRICTIONS REGARDING THE OPERATIONS OF THE CORPORATION; ADMINISTRATION OF FUNDS

Section 8.1 No Private or Political Beneficiaries. In keeping with the statement of purpose of the Corporation as set forth in its Articles of Incorporation, no part of the earnings or assets of the Corporation shall inure to the benefit of any private individual, and no substantial part of the activities of the Corporation shall be used for lobbying and the Corporation shall not engage in any political campaign activities on behalf of or in opposition to any candidate for public office.

Section 8.2 No Violation of Purposes. In no event and under no circumstances shall the Executive Board make any distribution or expenditure, engage in any activity, hold any asset, or enter into any transaction whatsoever the effect of which under applicable federal laws then in force will cause the Corporation to lose its status as an organization to which contributions are deductible in computing the net income of the contributor for federal income taxation.

Section 8.3 Tax Records. The Corporation shall maintain at its principal office a copy of its application for exemption and all tax returns filed with the Internal Revenue Service. To the extent

required by law, such documents shall be made available during regular business hours for inspection by any person requesting to see them.

Section 8.4 Annual Report and Audit. The Treasurer shall submit annually to the Executive Board a statement containing those details required to be included under the provisions of the NPCL, as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws. **The Treasurer shall make available all records necessary for an annual audit, to be conducted in compliance with School Board Policy 915.**

Section 8.5 Books and Records. The Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of its members, Executive Board and committees. The Corporation will keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the Corporation. Minutes and Bylaws will be available on the PTO website for all members to access.

Section 8.6 Ending Balance. The Corporation shall leave a minimum of \$5,000 in the treasury at the end of each fiscal year. The organization shall hold no more than \$40,000 in reserve at the end of each fiscal year. Any surplus funds should be used to pay any outstanding bills and, with the membership's approval, be spent for the benefit of the school.

Section 8.6 Distributions. The income of the Corporation for each taxable year shall be distributed at such time and in such manner as not to subject the Corporation to tax under Section 4924 of the Code.

Section 8.7 No Self-Dealing. The Corporation shall not engage in any act of self-dealing, as defined in Section 4941 (d) of the Code.

Section 8.8 No Excess Business Holdings. The Corporation shall not retain any excess business holdings, as defined in Section 4943(d) of the Code.

Section 8.9 No Jeopardizing Investments. The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.

Section 8.10 No Taxable Expenditures. The Corporation shall not make any taxable expenditures, as defined in Section 4945(d) of the Code.

Section 8.11 Definition of Code. Unless the context required otherwise, terms used in this Article VIII of these Bylaws shall have the meanings ascribed to them in the Code. References to the Code in this Article shall be deemed to extend to corresponding provisions of any subsequent United States tax laws. The provisions of this Article shall apply notwithstanding other provisions of these Bylaws, if any, which are inconsistent.

ARTICLE IX
BYLAW AMENDMENTS

Section 9.1 **Authority.** The Bylaws may be altered, amended and/or repealed from time to time by the affirmative vote of two-thirds (2/3) of all members present and eligible to vote. Unless approval of the members is required by the NPCL, these Bylaws may also be altered, amended and/or repealed from time to time by the affirmative vote of a majority of the Executive Board entitled to vote.

Section 9.2 **Notice.** The members of the Corporation shall be given at least thirty (30) days' prior written notice of any meeting of the members at which proposed changes to the Bylaws of the Corporation are to be considered or acted upon. Such written notice shall include a copy of the proposed amendment or a summary of the changes to be effected thereby.