

**FIRST AMENDED BYLAWS OF  
CITY REFORMED PRESBYTERIAN CHURCH (MAY 2009)**

**ARTICLE I**

**OFFICES AND FISCAL YEAR**

Section 1.01. REGISTERED OFFICE. The registered office of the corporation in Pennsylvania shall be at 3524 Boulevard of the Allies, Pittsburgh, PA 15213 until otherwise established by an amendment of the articles or by the board of directors and a record of such change is filed with the Department of State in the manner provided by law.

Section 1.02. OTHER OFFICES. The corporation may maintain other offices at such locations as the board of directors shall determine from time to time.

Section 1.03. FISCAL YEAR. The fiscal year of the corporation shall begin the 1st day of January in each year.

**ARTICLE II**

**NOTICE - WAIVERS - MEETINGS GENERALLY**

Section 2.01. MANNER OF GIVING NOTICE. Whenever written notice is required to be given to any director, it may be given either personally or by sending a copy thereof by first class mail, postage prepaid, or by facsimile transmission, to the address or to the facsimile number supplied by the director to the corporation for the purpose of notice. If the notice is sent by mail, it shall be deemed to have been given to the person when deposited in the United States mail or, in the case of facsimile, when received. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any other provision of the Nonprofit Corporation Law, the articles or these bylaws.

Section 2.02. NOTICE OF MEETINGS OF BOARD OF DIRECTORS. Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director by telephone or in writing at least 48 hours (in the case of notice by telephone or facsimile transmission) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice.

Section 2.03. WAIVER OF NOTICE.

(a) Written Waiver. Whenever any written notice is required to be given, a waiver thereof in writing, signed by the director(s) entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by this subsection, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) Waiver by Attendance. Attendance of a director at any meeting shall constitute a waiver of notice of the meeting except where a director attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.04. MODIFICATION OF PROPOSAL CONTAINED IN NOTICE. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 2.05. USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT. One or more persons may participate in a meeting of the board of directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

#### Section 2.06. MEETINGS OF THE CORPORATION.

(a) Annual Meeting. There shall be an annual meeting of the corporate membership. The Board of Directors shall provide notice of the meeting at least one week prior to the meeting.

(b) Other Meetings. Other meetings may be called by the Board of Directors, or by request in writing by a quorum of members as described in the Book of Church Order of the Presbyterian Church in America for congregational meetings, provided that no meeting shall take place without one week's notice to the membership.

(c) Notice of Meetings. Any notice required under Section 2.06 shall identify the place, day, and hour of the meeting and shall identify any issues subject to a vote of the membership. Posting of notice of the meeting in the church bulletin shall be sufficient notice.

### **ARTICLE III**

#### **MEMBERSHIP & VOTING**

Section 3.01. MEMBERS. All communicant members in good standing of City Reformed Presbyterian Church age 18 and over shall be members of the corporation.

Section 3.02. VOTING. All members of the corporation may vote in such matters where the vote of the membership of the corporation is requested. Where the vote of the membership is sought on an issue, the Board of Directors shall take no action binding on the corporation on the issue subject to a vote pending the vote of the membership, and the results of that vote shall be conclusive on the issue and binding on the Board of Directors.

Section 3.03. NOTICE. Where the vote of the membership is sought, notice shall be provided at least one week in advance and that notice shall comply with Section 2.06(c).

Section 3.04. QUORUM. At any meeting where the vote of the membership is sought, the quorum shall be the same as the quorum for a congregational meeting set forth in the Book of Church Order of the Presbyterian Church in America, except that for the purposes of determining a quorum, no communicant member under the age of 18 shall be included.

## **ARTICLE IV**

### **BOARD OF DIRECTORS**

#### **Section 4.01. POWERS; PERSONAL LIABILITY.**

(a) General Rule. Unless otherwise provided by statute, all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

(b) Standard of Care; Justifiable Reliance. A director shall stand in a fiduciary relation to the corporation and shall perform his duties as a director in good faith, in a manner the director reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, public accountants or other persons as to matters that the director reasonably believes to be within the professional or expert competence of such person.

(3) A committee of the board upon which the director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

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

(c) Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the corporation.

(d) Personal Liability of Directors.

(1) A director shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless:

(i) the director has breached or failed to perform the duties of his office under this section; and

(ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(2) The provisions of paragraph (1) shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, State or Federal law.

(e) Notation of Dissent. A director who is present at a meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the secretary of the corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action. Nothing in this section shall bar a director from asserting that minutes of the meeting incorrectly omitted his dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary in writing, of the asserted omission or inaccuracy.

Section 4.02. QUALIFICATION AND SELECTION OF DIRECTORS. Each director of the corporation shall be a natural person of full age and shall be a currently serving elder of City Reformed Presbyterian Church. The election of a person as an elder of City Reformed Presbyterian Church shall constitute such person's election as a director of the corporation. "Elder" or "elders" as used herein refers to a ruling elder currently serving on the Session of the Church.

Section 4.03. NUMBER AND TERM OF OFFICE.

(a) Number. The board of directors shall consist of the same number as there are elders of City Reformed Presbyterian Church.

(b) Term of Office. Each director shall hold office for as long as such person serves as an elder of City Reformed Presbyterian Church.

(c) Resignation. Any director may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation.

Section 4.04. REMOVAL OF DIRECTORS. A director shall be removed when he no longer serves as an elder of City Reformed Presbyterian Church.

Section 4.05. PLACE OF MEETINGS. Meetings of the board of directors may be held at such place within or without Pittsburgh, Pennsylvania as the board of directors may from time to time appoint or as may be designated in the notice of the meeting.

Section 4.06. ORGANIZATION OF MEETINGS. At every meeting of the board of directors, the president or, in the case of a vacancy in the office or absence of the president, a person chosen by a majority of the directors present, shall act as chairman of the meeting. The secretary or, in the absence of the secretary and the assistant secretary, any person appointed by the chairman of the meeting, shall act as secretary.

Section 4.07. REGULAR MEETINGS. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors.

Section 4.08. SPECIAL MEETINGS. Special meetings of the board of directors shall be held whenever called by the president or by one or more of the directors.

Section 4.09. QUORUM OF AND ACTION BY DIRECTORS.

(a) General Rule. A majority of the directors in office of the corporation shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

(b) Action by Written Consent. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the directors in office is filed with the secretary of the corporation.

Section 4.10. COMPENSATION. No member of the board of directors shall receive compensation for their services as a director; provided, however, nothing shall prohibit a member of the board from being reimbursed for proper expenses incurred on behalf of the corporation.

## ARTICLE V

### OFFICERS

#### Section 5.01. OFFICERS GENERALLY.

(a) Number, Qualification and Designation. The officers of the corporation shall be a president, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of Section 5.03. Officers may, but need not be, directors of the corporation. The officers shall be natural persons of full age. Any number of offices may be held by the same person.

(b) Resignations. Any officer may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as may be specified in the notice of resignation.

(c) Bonding. The corporation may secure the fidelity of any or all of its officers by bond or otherwise.

(d) Standard of Care. An officer shall perform his duties as an officer in good faith, in a manner he reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. A person who so performs his duties shall not be liable by reason of having been an officer of the corporation.

Section 5.02. ELECTION AND TERM OF OFFICE. The officers of the corporation, except those elected by delegated authority pursuant to Section 5.03, shall be elected annually by the board of directors, and each such officer shall hold office for a term of one year and until a successor has been selected and qualified or until his earlier death, resignation or removal.

Section 5.03. SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, including one or more vice presidents, assistant secretaries and assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as the board of directors may from time to time determine.

Section 5.04. REMOVAL OF OFFICERS AND AGENTS. Any officer or agent of the corporation may be removed by the board of directors with or without cause.

Section 5.05. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the board of directors, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 5.06. AUTHORITY. All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided by or pursuant to resolution or orders of the board of directors or in the absence of controlling provisions in the resolutions or orders of the board of directors, as may be determined by or pursuant to these bylaws.

Section 5.07. THE PRESIDENT. The president shall be the chief executive officer of the corporation and shall have general supervision over the business and operations of the corporation, subject, however, to the control of the board of directors. The president shall preside at all meetings of the board of directors and shall perform such other duties as may from time to time be requested by the board of directors. The president shall sign, execute, and acknowledge, in the name of the corporation, contracts or other instruments authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, to some other officer or agent of the corporation; and, in general, shall perform all duties incident to the office of president and such other duties as from time to time may be assigned by the board of directors.

Section 5.08. THE SECRETARY. The secretary or an assistant secretary shall attend all meetings of the board of directors and shall record all votes of the directors and the minutes of the meetings of the board of directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors or the president.

Section 5.09. THE TREASURER. The treasurer or an assistant treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the

board of directors or the president.

Section 5.10. THE VICE PRESIDENT. One or more vice presidents may be elected by the board of directors who shall perform such duties as may be designated by the board of directors or the president and who shall perform the duties of the president in the absence of the president or as designated by the president.

Section 5.11. SALARIES. The salaries, if any, of the officers elected by the board of directors shall be fixed from time to time by the board of directors or by such officer as may be designated by resolution of the board. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 5.03. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the corporation.

Section 5.12. DISALLOWED COMPENSATION. Any payments made to an officer, director or employee of the corporation such as a salary, commission, bonus, interest, rent, travel or entertainment expense incurred by him, which shall be disallowed in whole or in part by the Internal Revenue Service as self-dealing, shall be reimbursed by such officer, director or employee to the corporation to the full extent of such disallowance. It shall be the duty of the directors, as a Board, to enforce payment of each such amount disallowed. In lieu of payment by the officer, director or employee, subject to the determination of the directors, proportionate amounts may be withheld from future compensation payments until the amount owed to the corporation has been recovered.

## **ARTICLE VI**

### **INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES**

Section 6.01. SCOPE OF INDEMNIFICATION.

(a) General Rule. The corporation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

- (1) where such indemnification is expressly prohibited by applicable law:
- (2) where the conduct of the indemnified representative has been finally determined pursuant to Section 6.06 or otherwise:



(i) to constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. §§ 513(b) and 5746(b) and 42 Pa.C.S. §8365(b) or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or

(ii) to be based upon or attributable to the receipt by the indemnified representative from the corporation of a personal benefit to which the indemnified representative is not legally entitled; or

(3) to the extent such indemnification has been finally determined in a final adjudication pursuant to Section 6.06 to be otherwise unlawful.

(b) Partial Payment. If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the corporation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) Presumption. The termination of a 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 indemnified representative is not entitled to indemnification.

(d) Definitions. For purposes of this Article:

(1) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a director, officer, employee or agent of the corporation, or, at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;

(2) "indemnified representative" means any and all directors and officers of the corporation and any other person designated as an indemnified representative by the board of directors of the corporation (which may, but need not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise):

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense, of any nature (including, without limitation, attorneys' fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action,

suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the corporation.

Section 6.02. PROCEEDINGS INITIATED BY INDEMNIFIED REPRESENTATIVES. Notwithstanding any other provision of this Article, the corporation shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counterclaims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office. This section does not apply to a reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 6.06 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 6.03. ADVANCING EXPENSES. The corporation shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 6.01 or the initiation of or participation in which is authorized pursuant to Section 6.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined pursuant to Section 6.06 that such person is not entitled to be indemnified by the corporation pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 6.04. SECURING OF INDEMNIFICATION OBLIGATIONS. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms and conditions shall be conclusive against all security holders, officers and directors and shall not be subject to voidability.

Section 6.05. PAYMENT OF INDEMNIFICATION. An indemnified representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the secretary of the corporation.

Section 6.06. ARBITRATION.

(a) General Rule. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article that the

corporation has undertaken to submit to a court for adjudication, shall be decided only by arbitration in Allegheny County, Pennsylvania. Any such arbitration shall be in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators one of whom shall be selected by the corporation, the second of whom shall be selected by the indemnified representative and third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, or if one of the parties fails or refuses to select an arbitrator or if the arbitrators selected by the corporation and the indemnified representative cannot agree on the selection of the third arbitrator within 30 days after such time as the corporation and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the president judge of the Court of Common Pleas of Allegheny County, Pennsylvania.

(b) Burden of Proof. The party or parties challenging the right of an indemnified representative to the benefits of this Article shall have the burden of proof.

(c) Expenses. The corporation shall reimburse an indemnified representative for the expense (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.

(d) Effect. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the corporation shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified representative under Section 6.01(a) (2) in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

Section 6.07. CONTRIBUTION. If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the corporation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 6.08. MANDATORY INDEMNIFICATION OF DIRECTORS, OFFICERS, ETC. To the extent that an authorized representative of the corporation has been successful on the merits or otherwise in defense of any action or proceeding referred to in 15 Pa.C.S. §§5741 or 5742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith.

Section 6.09. CONTRACT RIGHTS; AMENDMENT OR REPEAL. All rights under this Article shall be deemed a contract between the corporation and the indemnified

representative pursuant to which the corporation and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 6.10. SCOPE OF ARTICLE. The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of disinterested directors or otherwise both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 6.11. RELIANCE OF PROVISIONS. Each person who shall act as an indemnified representative of the corporation shall be deemed to be doing so in reliance upon the rights provided in this Article.

Section 6.12. INTERPRETATION. The provisions of this Article are intended to constitute bylaws authorized by 15 Pa.C.S. §§513 and 5746 and 42 Pa.C.S. §8365.

## **ARTICLE VII**

### **MISCELLANEOUS**

Section 7.01. CORPORATE SEAL. The corporation seal, if any, shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Pennsylvania".

Section 7.02. CHECKS. All checks shall be signed by such person or persons as the board of directors or any person authorized by resolution of the board of directors may from time to time designate.

Section 7.03. CONTRACTS.

(a) General Rule. Except as otherwise provided in the Nonprofit Corporation Law, the board of directors may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

(b) Statutory Form of Execution of Instruments. Any contract or other document executed or entered into between the corporation and any other person, when signed by one or more officers or agents having actual or apparent authority to sign it, or by the president or vice president and secretary or assistant secretary or treasurer or assistant

treasurer of the corporation, shall be held to have been properly executed for and in behalf of the corporation, without prejudice to the rights of the corporation against any person who shall have executed the instrument in excess of his actual authority.

#### Section 7.04. INTERESTED DIRECTORS OR OFFICERS; QUORUM.

(a) General Rule. A contract or transaction between the corporation and one or more of its directors or officers or between the corporation and another corporation, partnership, joint venture, trust or other enterprise in which one or more of its directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his or their votes are counted for that purpose, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum; or

(2) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors.

(b) Quorum. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board that authorizes a contract or transaction specified in subsection (a).

Section 7.05. DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

#### Section 7.06. CORPORATE RECORDS.

(a) Required Records. The corporation shall keep complete and accurate books and records of account and minutes of the proceedings of the incorporators and directors. The records shall be kept at either the registered office of the corporation in Pennsylvania or at its principal place of business wherever situated. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of Inspection. Every director shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the books and records of account and records of the proceedings of the incorporators and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a director. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the director. The demand shall be directed to the corporation at its registered office in Pennsylvania or at its principal place of business wherever situated.

Section 7.07. PURCHASE, SALE, MORTGAGE AND LEASE OF REAL PROPERTY. The Board of Directors shall have the power to lease property for the use of the corporation. The purchasing, selling, and/or mortgaging of real property shall be governed exclusively by the Book of Church Order of the Presbyterian Church in America and shall be subject to a vote of the membership.

Section 7.08. ANNUAL REPORTS. The board of directors shall direct the president and treasurer to present at the annual meeting of the board a report which shall include the following: (1) the assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report; (2) the principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report; (3) the revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation; and (4) the expenses and disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation. The annual report shall be filed with the minutes of the annual meeting.

Section 7.09. AMENDMENT OF BYLAWS AND ARTICLES. Except as set forth in Section 7.13, the articles and these bylaws may be amended or repealed, or new bylaws may be adopted, by vote of two-thirds (2/3) of the board of directors of the corporation in office at any regular or special meeting of directors. Any change in these bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

Section 7.10. DISTRIBUTION OF ASSETS UPON DISSOLUTION. Upon the dissolution of the corporation, the assets of the corporation shall be distributed to an organization that has one or more exempt purposes as chosen by the board.

Section 7.11. PROHIBITED ACTIVITIES. The corporation shall not engage, otherwise than in an insubstantial part of its activities, in activities which in themselves are not in furtherance of the purposes set forth in the articles of incorporation or which are

devoted to influencing legislation by propaganda or otherwise. The corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office. The corporation shall not have any objectives and shall not engage in any activities that will characterize it as an "action" corporation under the regulations provided under §501(c)(3) of the Internal Revenue Code of 1986, as amended. No part of the net earnings that may be generated shall inure to the benefit of private individuals. The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

Section 7.12 PURPOSE OF CORPORATION. The corporation has been incorporated as a Christian church, and for such other purposes that are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. The corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and not permitted to be carried on by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended.

Section 7.13. CONFLICTS WITH THE BOOK OF CHURCH ORDER. To the extent possible, these Bylaws shall be read as consistent with and not in conflict with the Book of Church Order of the Presbyterian Church in America. To the extent that any provision is found to conflict with the Book of Church Order, the Book of Church Order shall control and the conflicting provision shall be invalid. However, any conflict shall invalidate only the conflicting provision and shall not affect the remaining provisions of these Bylaws. Section 7.13 shall not be amended or removed so long as City Reformed Presbyterian Church is a member of the Presbyterian Church in America, and this provision shall automatically be removed if City Reformed Presbyterian Church leaves the Presbyterian Church in America.