

BY LAWS
OF
MALVERN CENTER, INC.

Adopted by the Membership
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This edition supersedes all previous editions.

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ARTICLE I

NAME. OPERATIONS. PURPOSES

Section 1.1. Name. The name of the Corporation shall be Malvern Center, Inc.

Section 1.2. Operations. Malvern Center, Inc. (the "Corporation") shall be operated as a non-profit corporation.

Section 1.3. Purposes. The purposes of the Corporation shall be:

- To encourage, foster, assist and provide/maintain physical facilities for the conduct of meetings and programs for members and the public concerning addictive diseases with the primary emphasis on alcoholism.
- To provide an incoming telephone line listing Malvern Center under Alcoholics Anonymous and other headings in directories which the Board of Directors may from time to time deem appropriate for people needing information and/or help.
- To provide information about addictive diseases with primary emphasis on alcoholism.
- To provide an environment that is clean, safe and positive supporting the exchange of information and individual recovery; also one which will allow the broadest number of people possible to use Malvern Center.
- To foster membership within Malvern Center and to solicit and accept contributions of money and property and to accept devises and bequests and all other monies or property made available by virtue of trusts, endowments, deeds of gift, annuities, policies of insurance, or otherwise, and to administer such monies or property for the support of these purposes.
- To carry on any other activities which may contribute to or support the preceding purposes and are lawful, necessary, appropriate, incidental and/or related.

Section 1.4. Further purpose. It shall further be the purpose of Malvern Center to carry out the preceding purposes of the Malvern Center keeping in mind the spirit of the principles, set forth by the Traditions of Alcoholics Anonymous.

ARTICLE II

OFFICES. BOOKS AND RECORDS

Section 2.1. Offices. In addition to its registered office in the Commonwealth of Pennsylvania, the Corporation may have such other offices as the Board of Directors may from time to time establish.

Section 2.2. Books and Records. Except as otherwise required by statute, the books and records of the Corporation shall be kept at such office or offices of the Corporation as the Board of Directors may from time to time designate for the purpose.

ARTICLE III

MEMBERSHIP

Section 3.1. Eligibility. Membership in the Corporation shall be open to all persons who desire to live a sober life and are willing to take part in fulfilling the purpose of the Corporation.

Section 3.2. Provisions. Members shall pay dues in such amounts and at such times as shall be determined by the Board of Directors. Current members shall be entitled to ail rights and privileges including

the right to vote at meetings of the membership or by proxy officially deposited with the Board on matters requiring a vote.

Section 3.3. Application for Membership. Applications for membership in the Corporation shall be in such form and contain such information as the Board of Directors may from time to time prescribe. An application for membership shall be made to a Director or representative of the Corporation or deposited in the safe, accompanied by payment as may be prescribed by the Board of Directors.

Section 3.4. Admission to Membership. An applicant shall be deemed admitted to membership upon compliance with Section 3.3 hereof. Receipts or other recognition of membership that may be provided from time to time are the responsibility of the member to obtain from the person designated or a Board member.

Section 3.5. Resignation of Membership. Any member who notifies a Board member in writing that he/she desires to resign shall cease to be a member upon receipt of the resignation.

Section 3.6. Suspension of Membership. Membership in Malvern Center may be suspended at any time by the affirmative vote of either a simple majority of current members or not less than two-thirds of the entire Board of Directors, provided that no membership shall be suspended for reasons other than: 1. Non-payment of dues or fees and 2. Irresponsible behavior. In the event of Non-payment membership will be automatically suspended after a second notice of Membership renewal is sent to the member and 90 days has passed since the original Membership renewal was sent. In the event of Irresponsible behavior membership can only be suspended by the affirmative vote of either a simple majority of current members or not less than two-thirds of the entire Board of Directors. Any member suspended shall have the right to be heard before the Board of Directors on the matter. A suspended member will still have the right to attend any Board meeting open to the public at Malvern Center.

Section 3.7. Obligations After Resignation or Suspension. If a member resigns from the Corporation pursuant to Section 3.5, or if Membership in the Corporation is suspended pursuant to Section 3.6, such Member shall be deemed to have relinquished and granted to the Corporation all his or her rights and privileges in the Corporation. Amounts paid or payable by a Member pursuant to Article VIII shall not be affected, released or returned because of such Member's resignation or suspension.

ARTICLE IV

MEETINGS OF AND ACTION BY MEMBERS

Section 4.1. Meeting Location. All meetings of the members of Malvern Center shall be held at the registered office of the Corporation unless another place is designated by the board of directors.

Section 4.2. Annual Meeting. An annual meeting of the members will be held, generally, within the first two weeks of June as may be fixed by the Board of Directors. At such meeting, all current members present and voting and/or represented by official proxy deposited with the Board of Directors are entitled to cast ballots and shall elect the Directors of the Corporation by at least a majority of the votes and shall transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held by December any member may call such meeting at any time thereafter.

Section 4.3. Special Meetings. A Special meeting is defined as any meeting required to transact business for the Malvern Center that requires a vote of the membership to proceed but cannot be conducted at normal Board of Directors meeting. In Special meetings of the members of Malvern Center for any purpose

or purposes may be called at any time by the Chairman/President or by a majority of the Board of Directors, or by 20% (twenty percent) of the current members. The number for the 20% threshold shall be set by the Membership Director as the 20% of all active and current (paid) members in the membership database. In the case of a non-Board of Directors member calling a meeting, an affidavit with the names of the active and current members requesting the meeting shall be added to the request to the Secretary.

At any time, upon written request of any current member or members who have duly (see above) called a special meeting, which written request shall state the object of the meeting, it shall be the duty of the Secretary to fix the time of the meeting, which shall be held at such date and time as the Secretary may fix, as soon as practicable prior to the meeting, generally, not less than five (5) nor more than thirty (30) days after the receipt of the request, and to give due notice thereof. If the Secretary shall neglect or refuse to fix the date and time of such meeting and give notice thereof, the member or members calling the meeting may do so.

Section 4.4. Notices. Except as otherwise provided by statute or in these BY-LAWS, written notice of each annual or special meeting of members stating the place, date and hour of the meeting, in the case of the annual meeting, a list of the slate of directors to be nominated, the purpose thereof, shall be given by posting the said notice on the bulletin board not less than ten (10) nor more than fifty (50) days prior to the date of the meeting. In addition, such notice for meetings shall be called to members' attention by a written notice on or attached to the message board. In the case of a Special meeting notice is required as soon as practicable prior to the meeting. This shall constitute sufficient notice for members. Every notice of a special meeting shall state briefly the purpose thereof, and no business other than that specified in such notice and matters germane thereto shall be transacted at any special meeting without further notice to the members.

Section 4.5. Quorum. Any business may be transacted at any annual or special meeting of members by the amount of current members present and/or represented by official proxy deposited With the Board of Directors at either of said meetings, providing proper notice was given in accordance with Section 4.4.

Section 4.6 Voting.

(a) At any annual or special meeting of members, each current member shall have the right to cast one vote. Unless otherwise required by statute or these BY-LAWS, any business before an annual or special meeting of members shall be decided by a majority of the votes present and/or represented by official proxy deposited with the Board of Directors.

(b) In accordance with applicable provisions of Article V of these by-laws, Directors shall be elected from the current members of the Corporation. Except in the case of vacancies, Directors shall be elected by the current Members. The members to serve on the Board of Directors shall be nominated at the annual meeting of members of the Corporation. Initial nominations will be made by the Board of Directors in the form of a recommended slate (Section 4.6(e)). Additional nominations can be made by any current member. present provided that they be seconded and that the person so nominated be in attendance, they have identified the Board of Directors position the new nomination is qualified for to be considered in place of the current member identified on slate by the Board of Directors and that he/she is a current member. Voting shall be conducted on the entire slate, as a whole, by ballot. The ballot shall be counted by two members in attendance. A simple majority of authorized voters present and /or with represented official proxy votes, is required to pass the slate. In the case where there are multiple candidates for a position on the slate, a vote will take place prior to the vote on the slate to decide the slate position. In any of the above cases where a simple majority is not achieved on the first ballot, the "Threw Legacy Procedure"

(found in the AA service manual) will be used to ensure a successful ballot can be achieved by the 6th ballot.

(c) The affirmative vote of not less than seventy-five percent (75%) of all votes of current members present in person or represented by official proxy at a meeting of members shall be required in order to (1) authorize any amendment of the Corporation's Certificate of Incorporation, or (2) authorize the dissolution, liquidation or winding up of the Corporation. The affirmative vote of not less than a majority of all votes present in person and/or by official proxies deposited with the Board of Directors at any meeting of members shall be required in order to a) alter any BY-LAW adopted by the Board of Directors, b) to adopt any new BY-LAW or c) alter or repeal any provision of these BY-LAWS.

(d) The Chairman of any annual or special meeting of members shall prescribe the method of voting at such meeting unless any current member entitled to vote thereat requests the taking of a written ballot, in which case the business of the meeting to which such request pertains shall be determined by written ballot.

(e) The slate will be put together by the Board of Directors prior to the annual meeting in enough time for the notice of the meeting. The Board of Directors, where possible, will have one candidate per Officer or Board position. The Board will consider the background, sobriety, service, Board of Directors experience, capabilities of the candidates and willingness to serve in that position prior to the formation of the slate. This activity will be managed by the President of the Board of Directors.

Section 4.7. Organization.

(a) The Chairman of the Board shall call all meetings of members to order and shall act as Chairman at such meetings. In the absence of the Chairman of the Board, the Directors shall select another Director to act as such Chairman.

(b) The Secretary of the Corporation shall act as Secretary at all meetings of members except that, in his or her absence, the Chairman of the meeting may appoint any person to act as Secretary of the meeting, and such person shall prepare the minutes of the meeting and file them with the Secretary.

(c) If voting at a meeting is to be by written ballot, the Chairman of the meeting shall appoint two vote tellers.

Section 4.8. Record Date. The Board of Directors may fix a time, not more than thirty (30) days prior to the date of any meeting of members or any adjournment thereof, as a record date for the determination of the current members entitled to vote at such meeting. In such case only current members of record on the date so fixed shall be entitled notwithstanding any increase or other change in membership on the books of the Division after any record date fixed as aforesaid. The Board of Directors may similarly fix a record date for the determination of members of record for any other purpose.

Section 4.9. Action by Written Consent. Any action which may be taken at a meeting of the members may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by all the members who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the Corporation.

Section 4.10. Membership Register. The Corporation shall at its option keep at its principal place of business a membership register showing only that information which 1) a member chooses to provide and 2) may be necessary for the Corporation administratively given the overriding consideration of anonymity. This information is for internal Board use only to handle matters of an administrative nature and will not be released to any other individual, organization, governmental authority, etc. The anonymity of each member will be protected at any cost by the Corporation. The register may be used to determine who is a current member and is therefore entitled to vote.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1. Powers. The property, business and affairs of the Corporation shall be subject to the control and authority of the Board of Directors which may exercise all the powers of the Corporation that are not by statute or these By-Laws to be exercised by the members. Its duties include but are not limited to the following:

- To be responsible for ongoing affairs and activities of the Corporation in accordance with these By-Laws.
- To elect officers of the Corporation.
- To oversee the day-to-day activities of the Malvern Center.
- To adopt an annual budget.
- To receive and act upon all reports of the committees it establishes and officers of the Corporation.
- To designate members of the Board and any other individual(s) who are to have the authority to sign and countersign checks.
- As appropriate, to secure fidelity bonds covering the individual(s) charged with the custody of funds or negotiable securities.
- To create such committees and subcommittees as it may deem advisable to develop and support the programs and activities of the Corporation.
- To set the time and place for meetings of the membership and for its own sessions.
- To promulgate rules and regulations governing the use of the meeting facilities provided by the Corporation, together with the power to alter or repeal any such rule or regulation.
- To perform such other duties as are appropriate or are prescribed in these By-Laws and as may be required.

Section 5.2 Number, Qualifications, Election, Special Provisions.

Number. The Board of Directors shall consist of such number of Directors, - not less than five (5) nor more than nine (9); and may be determined from time to time by the Board of Directors.'

Qualifications. Each Director shall be:

1. a current member of Malvern Center and remain so for his/her term of office.
2. willing to serve and qualified for the position.
3. a clear minded, responsible individual.

4. free from alcohol or other illicit mind-altering substances for a period of at least twelve (12) to twenty-four (24) continuous months immediately prior to his/her election and remain so throughout his/her term of office.

Election. Except in the case of vacancies, Directors shall be elected at the annual meeting of members for a term and they shall (absent death, resignation or removal) hold office until the next annual meeting of members and until their successors are elected and qualified.

Special Provisions. The Board of Directors is empowered to include in its makeup, up to three (3) Board members, who are not alcoholics/addicts. This is still limited to the maximum and minimum membership provisions of the entire Board. To be considered they must bring special skills and insights that are deemed critical to the ongoing success of Malvern Center and its day-to-day management. Their number is to at no time may they jointly constitute a voting majority of the entire Board.

In light of anonymity, the special members are to be nominated through the Directors and elected by a two-thirds (2/3) vote of the entire Board of Directors. Their term of office shall be one year (absent death, resignation or removal) and their election will normally occur at the first Board meeting following the annual meeting of members. Vacancies in this category can be filled as needed subject to the preceding. The final qualification for Board membership (#4) shall be waived in the case of special Board members

Section 5.3. Vacancies. Any vacancy on the Board of Directors which shall occur by 1) reason of death, resignation or removal of any Director and 2) resulting from an increase in the number of Directors, shall be filled by action of the remaining Directors. Upon the occurrence of such vacancy, the Chairman of the Board shall promptly call a meeting of the members of the Board to elect a Director to fill the vacancy. Any person to be nominated for a Director's position shall be made known to each current Director at least twenty-four (24) hours in advance of the nomination. Any Director so elected shall (absent death, resignation or removal) hold office until the next annual meeting of members (or until the first Board meeting thereafter for special members) and until his/her successor is elected and qualified.

Section 5.4. Resignation. Any Director may at any time resign from the Board of Directors by delivering a written resignation to the Chairman of the Board or the Recording Secretary.

Section 5.5. Consecutive Terms. Except as hereinafter provided, Directors may serve a maximum of four (4) consecutive terms in one office or position, for a maximum of 8 terms on the Board of Directors following which they are disqualified for election until one (1) year has elapsed since their last term. If a Director shall be elected to fill a vacancy and it shall occur six (6) months or more prior to the next scheduled annual meeting of the Board of Directors, the Director so elected shall be deemed to be filling a full term for purposes of restriction on consecutive elections as a Director.

Section 5.6. Removal. Any Director may be removed from the Board at any time with cause by a majority vote of all current members or a majority vote of the entire Board of Directors. A Director may also be removed by action of the Directors for failure to attend three (3) consecutive meetings without cause satisfactory to the Board.

Section 5.7. Meetings of Directors.

(a) The Board of Directors may hold regular and special meetings within or outside the Commonwealth of Pennsylvania as the Board of Directors may from time to time appoint or may be

designated in the notice of the meeting. Between any two consecutive annual meetings of members, there shall be at least five regular/special meetings of Directors.

(b) A newly-elected Board of Directors shall meet in order to organize, elect officers and transact such other business as may properly be presented to the meeting. Such meeting shall be held without prior notice as soon as practicable after each annual meeting of members at the place, date and hour selected by the Directors elected at such meeting of members.

(c) The date, place and hour of regular meetings of the Board of Directors shall be fixed from time to time by the Board of Directors. Between two consecutive annual meetings, there will be at least one meeting (one per year) that is posted and open to the current members.

(d) Ad hoc meetings of the Board of Directors may be called at any time by the Chairman of the Board and shall be called promptly by the Chairman of the Board upon the request of a majority of the Directors then in office providing one officer is present at each meeting.

Section 5.8. Quorum.

(a) Except as otherwise provided by statute or in these BY-LAWS, no official business shall be transacted at any meeting of the Board of Directors unless a quorum is present; a majority of the entire Board of Directors shall constitute a quorum.

(b) Any meeting of the Board of Directors may be adjourned from time to time by a majority of the Directors present, whether or not a quorum shall be in attendance at such meeting.

Section 5.9. Voting.

(a) Unless otherwise required by statute or these BY-LAWS, the business at all meetings of Directors shall be disposed of by the vote of a majority of the Directors present and voting.

(b) The affirmative vote of not less than two-thirds (2/3) of the entire Board of Directors present and voting shall be required for the adoption of any new BY-LAWS or modification to existing ones.

(c) Each Director has one vote all equal to each other.

Section 5.10. Notices. Notice of each regular or special meeting shall be given to each Director by phone, in writing or by personal conveyance to be in their possession at least five (5) days before any regular meeting and twenty-four (24) hours before a special meeting

Section 5.11. Waiver of Notice. Notice of the date, place and hour of any meeting of Directors, whether required; by statute or these BY-LAWS; may be waived in writing or by phone or personal convience by the Director or other person entitled to notice thereof either before or after the holding of the meeting. Neither the business to be transacted at any regular meeting of Directors nor the business to be transacted at or the purpose of any special meeting" of the , Directors need be set forth in any such written waiver of notice.

Section 5.12. Organization. The Board of Directors shall elect a Chairman of the Board/President from among its members. The Board of Directors may adopt from time to time such rules for the conduct of its meeting as it deems appropriate.

Section 5.13. Compensation. The Directors shall not receive any compensation from the Corporation for performing their duties as members of, the Board of Directors or for attending meetings of the, Board of Directors or any committee thereof.

Section 5.14. Action Without a Meeting. Anything in these BY-LAWS to the contrary notwithstanding, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if, prior to such, action, a written or verbal consent thereto is signed or verbally agreed to by a majority of the members of the Board of Directors or of such committee, as the case may be. A blanket consent may be entered in the minutes of proceedings of the Board of Directors or such committee as appropriate to cover these situations as they may arise.

Section 5.15. Directors with Potential Conflict of Interest.

(a) No contract or transaction between the Corporation and one or more of its Directors, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its Directors are Directors or have a financial interest. shall be void or voidable solely for this reason, or solely because the Directors of such other corporation, partnership, association or other organization is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for each purpose, if:

1. The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum, or
2. The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the members, or
3. 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, a committee thereof, or the members.

(b) Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction

Section 5.16. (not used)

Section 5.17. Standard of Care and Justifiable Reliance.

(a) A Director shall stand in a fiduciary relation to Malvern Center, Inc. and shall perform his/her duties as a Director, including his/her duties as a member of any committee of the Board of Directors upon which he or she may serve, in good faith, in a manner he or she 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/her 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, directors 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 which the Director reasonably believes to be within the professional or expert competence of such person; or
3. a committee of the Board of Directors upon which he/she 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 he/she has knowledge concerning the matter in question that would cause his/her reliance to be unwarranted.

(b) In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, members and guests, upon persons with whom the Corporation has business and other relations, upon communities where the Corporation is located and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a) of this Section.

(c) 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.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, ETC.

Section 6.1. Director and Officers: Third Party Actions. The Corporation shall indemnify any Director or Officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit 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 he/she is or was a representative of the Corporation (which, for the purposes of this Article, shall mean a Director, Officer, employee or agent of the Corporation or a person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, 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 which, he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Section 6.2. Directors and Officers: Derivative Action. The Corporation shall indemnify any Director or Officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by

reason of the fact that he/she is or was a representative of the Corporation, against expenses (including attorney's fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation and except that no indemnification shall be made in respect of any claim; issue or matter as to which such person have adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Center unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action or suit was brought shall determine 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 indemnity for such expenses which the Court of Common Pleas or such other court shall deem proper.

Section 6.3. Employees and Agents. To the extent that a representative of the Center who neither was nor is a Director or Officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections above of this Article or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him/her in connection therewith. Such a representative may, at the discretion of the Corporation, be indemnified by the Corporation in any other circumstances to any extent if the Corporation would be required by Sections above of this Article to indemnify such person in such circumstances to such extent if he/she were or had been a Director or Officer of the Corporation.

Section 6.4. Procedure for Effecting Indemnification. Indemnification under this Article shall be made when by court (in which case the expenses, including attorney's fees, of the representative in enforcing such right of indemnification shall be added to and be included in the final judgment against the Corporation) and may be made in the specific case upon a determination that indemnification of the representative is required or proper in the circumstances because he/she has met the applicable standard of conduct set forth in Sections above of this Article. Such determination shall be made:

1. by the Board of Directors by a majority vote of a Quorum consisting of Directors who were not parties to such action; suit or proceeding, or
2. if such a quorum is not obtainable, or, even if obtainable, a majority vote of a Quorum of directors so directs, by independent legal counsel in a written opinion, or
3. by the members.

Section 6.5. Advancing Expenses. Expenses (including attorney's fees) _ incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, upon authorization by the Board of Directors in a specific case upon receipt of an undertaking by or on behalf of a Director or Officer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation. Such expenses may also be paid by the Corporation in advance on behalf of any other representative when authorized by the Board of Directors upon receipt of a similar undertaking.

Section 6.6. Scope of Article. Each person who shall act as a representative of the Corporation shall be deemed to be doing so in reliance upon such rights of indemnification as are provided in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any agreement, vote of members of Directors, statute or otherwise, both as to action in his official capacity and as to action in any other capacity while

holding such office or position, and shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such a person.

ARTICLE VII

EXECUTIVE COMMITTEE - deleted

,ARTICLE VIII

COMMITTEES

Section 8.1. Appointment of Committees. The Board of Directors may, by resolution adopted by a majority of the entire Board of Directors, appoint one or more committees, from membership, each committee to consist of one or more Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, anyone of whom may, replace any absent member at any meeting of such committee. Any committee appointed by the Board of Directors shall, subject to applicable statutory restrictions, have such powers and: perform such powers and duties as may be delegated to it from time to time by resolution adopted by a majority of the entire Board of Directors.

Section 8.2. Minutes. Each committee shall keep regular minutes (as appropriate) of its meetings and furnish a copy thereof to the Secretary.

ARTICLE IX

OFFICERS

Section 9.1. Officers. The officers of the Corporation shall be elected by the Board of Directors and there shall be a President, Treasurer and Secretary provided that the person selected as Chairman of the Board shall be the President. The Board of Directors may also appoint one or more additional positions that it deems appropriate (e.g. Vice President, Membership Secretary, Assistant Treasurer, etc.). Only one position may be held by the same person other than on an interim basis .

Section 9.2. Tenure and Removal. The officers shall be elected annually by the Board of Directors from among its members and (absent death, resignation or removal) shall hold office until their successors are elected and qualified. Any officer appointed by the Board of Directors may be removed at any time with cause by the affirmative vote of a majority of the entire Board of Directors. The Board of Directors may fill any vacancy which shall occur among the officers whether by death, resignation or removal and they shall be from among its members.

Section 9.3. The President. He/she shall preside at meetings of the members of Malvern Center and at meetings of the Board of Directors. The President shall be the chief executive officer of the Corporation and shall have general supervision over the activities and operations of the Corporation, subject, however, to the control of the Board of Directors. He/she shall sign, execute and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, 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, or by these by-laws, to some other officer or agent of the Corporation; and shall perform such other duties as are provided for in these by-laws or as may be required by law or as may be assigned to him/her from time to time by the Board of Directors.

Section 9.4. The Secretary. The Secretary shall attend all meetings of the members and of the Board of Directors and shall record all the votes of the members and of the Directors and the minutes of the meetings of the members and of the Board of Directors and of the Executive Committee in a book or other recording system 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 to him/her by the Board of Directors or the President.

Section 9.5. The Treasurer. The Treasurer shall collect, receive, deposit and disburse all funds of the Corporation in a timely fashion as directed by the Board of Directors. He/she shall keep regular books of account and shall submit such account of his/her acts as Treasurer and of the financial condition of the Corporation as the Board of Directors may from time to time require but no less than once per quarter. He/she shall perform such other duties as may from time to time be assigned to him/her by the Board of Directors or the President

Section 9.6. Compensation. Officers shall serve without compensation.

Section 9.7. Officers' Bonds. Any officer shall give a bond for the faithful discharge of his/her duties in such sum, if any, and with such surety or sureties as the Board of Directors may require, the premium therefor to be paid from the Corporate funds.

ARTICLE X

DUES AND FEES

Section 10.1. Dues and Fees. The Board of Directors has the power to establish dues and/or fees that are required to be paid annually and/or upon joining as a condition of membership in Malvern Center, Inc. The Board of Directors shall also prescribe the time or times of payment of such amount. The Board is to keep in mind the funds required to operate the Center in a fiscally responsible fashion. The Board also has the power to establish rents and/or fees and conditions for use of Malvern Center by various groups and/or individuals.

ARTICLE XI

FINANCES

Section 11.1. Fiscal Year. The Fiscal year of the Corporation shall coincide with the calendar year and run from January 1 through December 31 of each year.

Section 11.2. Withdrawal of Funds. Funds of the Corporation on deposit with any bank or trust company shall be subject to withdrawal only on the signature(s) of such person(s) as authorized from time to time by resolution of the Board of Directors.

Section 11.3. Deposit of Funds. Funds received shall be deposited expeditiously in a depository previously designated by the Board of Directors.

Section 11.4. Provision for Audit. An audit shall take place, at a minimum, with the replacement of a Treasurer or Assistant Treasurer - Controller or at time period not to exceed 4 years between any audit. It shall be conducted by a certified public accountant covering all income and expenditures of the Corporation, and its financial condition as of December 31 of the previous year. In addition, the Board of Directors may at

their discretion or upon a request of the majority of current members to undertake an Annual Audit. A copy of said Audit Report(s) shall be furnished to all current members upon request and posted in Malvern Center.

Section 11.5. Establishment of Budget. The financial operation of the Corporation shall be conducted in accordance with an annual budget, and such budget and other corporate accounts shall be kept in accordance with 1) standards acceptable to a majority of the Board of Directors and 2) generally accepted accounting practices.

Section 11.6. Provision for Bonding. All officers having financial responsibility shall be bonded if required by a majority vote of the Board of Directors in amounts fixed by the Board of Directors, the cost of which shall be paid from the Corporate funds.

Section 11.7. Accounting and Maintenance of Special Funds. All funds raised for specific purposes shall be held and/or accounted for separately and as may be required by law. They may be invested in a prudent fashion to generate interest/ income until time of use while attempting to protect the whole of the original funds raised and recognizing that we are not in the business of taking undue risks to make money. Specific guidelines and strategies for such funds will be established by a majority vote of the Board of Directors and reviewed frequently. Co-mingling of funds will be permissible if allowed by law to maximize investment efficiencies, but they must be accounted for separately. The method of separate accounting and level of co-mingling will be identified by the Treasurer.

ARTICLE XII

ADDITIONAL PROVISIONS

NOTICE - WAIVERS - MEETINGS

Section 12.1. Notice. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at the adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 12.2. Waivers. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting 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 12.3. 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 12.4. Exception to Requirement of Notice. Wherever any notice or communication is required to be given to any person under the provisions of the articles of these by-laws, or the Nonprofit Corporation Law of 1972, or by the terms of any agreement or other instrument or as a condition with such person is then unlawful, the giving of such notice or communication to such person shall not be required and there shall be no duty to apply for a license or other permission to do so.

Section 12.5. Conference Telephone Meeting. One or more persons may participate in a meeting of the Board, of a Committee of the Board or of the members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear/see each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

ARTICLE XIII

CORPORATE SEAL (deleted)

ARTICLE XIV

AMENDMENTS TO THE BY-LAWS

Section 14.1. Amendment to Existing or Adoption of New By-Laws by Board of Directors. These by-laws may be amended or any new by-laws adopted at any meeting of the Board of Directors by a two-thirds (2/3) vote of the entire Board, provided that these amendments or new by-laws are submitted to the membership for ratification at the next regular or special meeting of the membership and that proper notification be given.

Section 14.2. Continuation of Amendments or Adoption of New By-Laws by Board of Directors. Any amendment made or new by-law adopted by the Board of Directors shall continue in effect until, or unless, altered at a meeting of the membership.

Section 14.3. Amendment to Existing or Adopting of New By-Laws by the Membership. These by-laws may be amended and any new by-law may be adopted, by an affirmative vote of not less than the majority of all members and/or proxies entitled to vote at any regular meeting of members or at any special meeting of members. However, no such action may be taken at any meeting of members unless notice thereof has been given in the notice of such meeting.