

BY-LAWS OF  
EASTMINSTER PRESCHOOL

ARTICLE I – OFFICES

1. The registered office of the corporation shall be at 311 Haines Road, York, Pennsylvania, 17402.

2. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the corporation may require.

ARTICLE II- SEAL

1. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Pennsylvania”.

ARTICLE III – DIRECTORS

1. The business and affairs of this corporation shall be managed by its Board of Directors, which shall be no less than five (5) in number, who shall be natural persons of full age and who need not be residents of this Commonwealth, one of whom shall be the senior pastor of the Eastminster Presbyterian Church (hereinafter “Church”) and one of whom shall be the executive director of the Pre School. The remaining directors shall be appointed by the Session or other governing body of the Church, shall be members in good standing of Eastminster Presbyterian Church and shall serve for a five (5) year term or until their successors are appointed and qualify.

2. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the

corporation and do all such lawful acts and things as are not by statute or by the Articles or by these By-Laws directed or required to be exercised or done by the members.

3. The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

4. Written or personal notice of every meeting of the Board of Directors shall be given to each director at least five (5) days prior to the day named for the meeting.

5. A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Any action which may be taken at a meeting of the directors 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 directors in office and shall be filed with the Secretary of the corporation.

6. The Board of Directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the corporation. Any such committee, to the extent provided in the resolution of the Board of Directors or in the By-Laws, shall have and may exercise all of the powers and authority of the Board of Directors, except that no such committee shall have any power or authority as to the following:

- (a) The filling of vacancies in the Board of Directors.
- (b) The amendment or repeal of any resolution of the Board.

(c) Action on matters committed by the By-Laws or resolution of the Board of Directors to another committee of the Board.

7. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. Each committee of the Board shall serve at the pleasure of the Board.

8. The Board of Directors shall serve without compensation, however, a director may be a salaried officer of the Corporation.

9. The Board of Directors may declare vacant the office of a director if he is declared of unsound mind by an order of court or is convicted of felony, or if within sixty days after notice of his selection, he does not accept such office either in writing or by attending a meeting of the Board of Directors, and fulfill such other requirements of qualification as the By-Laws may specify.

10. A director of the corporation shall stand in a fiduciary relation to the corporation and shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, 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. 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 by any of the following:

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

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

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

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

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, upon suppliers and customers of the corporation and upon communities in which offices or other establishments of the corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section.

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.

A director of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action unless:

(1) The director has breached or failed to perform the duties of his office under this section.

(2) The breach or failure to perform constitutes self-sealing, willful misconduct or recklessness.

The provisions of this section shall not apply to:

(1) The responsibility or liability of a director pursuant to any criminal statute; or (2) The liability of a director for the payment of taxes pursuant to local, State or Federal law.

#### ARTICLE IV – OFFICERS

1. The executive officers of the corporation shall be chosen by the Board of Directors, and shall be a President, Secretary, Treasurer and such other officers and assistant officers as the needs of the corporation may require. The President and Secretary shall be natural persons of full age; the Treasurer, however, may be a corporation, but if a natural person, shall be of full age. They shall hold their offices for a term of one year and shall have such authority and shall perform such duties as are provided by the By-Laws. It shall not be necessary for the officers to be directors and any number of offices may be held by the same person. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise.

2. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed.

3. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the directors; he shall have general and active management of the affairs of the corporation; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the corporation. He shall execute bonds, mortgages and other documents requiring a seal, under the seal of the corporation. He shall be EX-OFFICIO a member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President.

4. A Vice President if elected shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required from time to time.

5. The Secretary shall attend all Sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the

corporate seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it.

6. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall keep the moneys of the corporation in a separate account to the credit of the corporation. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

#### ARTICLE V – VACANCIES

1. If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

2. Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority of the remaining members of the Board, though less than a quorum, and each person so elected shall be a director until his successor is appointed by Session in accordance with these By-Laws.

#### ARTICLE VI – BOOKS AND RECORDS

1. The corporation shall keep an original or duplicate record of the proceedings of the corporation. The original or a copy of its By-Laws, including all amendments thereto to date, shall be certified by the Secretary of the corporation. The

corporation shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the corporation in this Commonwealth, or at its principal place of business wherever situated.

#### ARTICLE VII – TRANSACTION OF BUSINESS

1. The corporation shall make no purchase of real property nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by a vote of two-thirds of the members in office of the Board of Directors, except that whenever there are twenty-one or more directors, the vote of a majority of the members in office shall be sufficient. Unless otherwise restricted in these By-Laws, no vote or consent of the members shall be required to make effective such action by the Board. If the real property is subject to a trust the conveyance away shall be free of trust and the trust shall be impinged upon the proceeds of such conveyance.

2. Whenever the lawful activities of the corporation involve among other things the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the corporation, and in no case shall be divided or distributed in any manner whatsoever among the directors or officers of the corporation.

3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.



## ARTICLE VIII – ANNUAL REPORT

1. The Board of Directors shall present annually to the Clerk of Session or other governing body of the Church a report, verified by the President and Treasurer or by a majority of the directors, showing in appropriate detail the following:

(a) 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.

(b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.

(c) 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.

(d) The expenses or 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.

## ARTICLE X – MISCELLANEOUS PROVISIONS

1. The fiscal year of the corporation shall begin on the first day of August.

2. One or more persons may participate in a meeting of the Board 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 such meeting.

3. So long as the corporation shall continue to be organized on a nonstock basis, the Board of Directors may request the Church to make capital contributions in such amounts and upon such terms as are fixed by the directors in accordance with the provisions of section 5541 of the Nonprofit Corporation Law of 1988, provided the corporation is debt free.

#### ARTICLE XI – INDEMNIFICATION

1. The corporation shall indemnify each of its directors and officers whether or not then in service as such (and his or her executor, administrator and heirs), against all reasonable expenses actually and necessarily incurred by him or her in connection with the defense of any litigation to which the individual may have been a party because he or she is or was a director or officer of the corporation. The individual shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Corporation for negligence or misconduct in the performance of his or her duties, or was derelict in the performance of his or her duty as director, officer or employee by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his or her office or employment. The right to indemnify for expenses shall also apply to the expenses of suits which are compromised or settled if the court having jurisdiction of the matter shall approve such settlement.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to that which such director, officer or employee may be entitled.

## ARTICLE XII – AMENDMENTS

1. By-Laws may be adopted, amended or repealed by an eighty (80%) percent vote of the Board of Directors.

## ARTICLE XIII – INDEMNIFICATIONS OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

### 1. 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 Article XIV (6) or otherwise:

(i) to constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. § 513(b) and 1746(b) and 42 Pa. C.S. § 8365 (b) or any superceding 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 Article XIV (6) 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 on 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, a class of its security holders or otherwise.

## 2. 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 counter-claims 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 Article XIV (6) or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

3. 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 Article XIV (1) or the initiation of or participation in which is authorized pursuant to Article XIV (2) upon receipt of an undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined pursuant to Article XIV (6) 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.

4. 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, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the corporation, 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.

5. 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.

6. Arbitration.

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

except with respect to indemnification for liabilities arising under the Securities Act of 1933 that the corporation has undertaken to submit to a court for adjudication, shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the corporation are located at the time, 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 presiding judge of the court of general jurisdiction in such metropolitan area.

(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 expenses (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 Articles XIV (1) (a) (2) in a proceeding not directly involving indemnified under this Article. This arbitration provision shall be specifically enforceable.

7. 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.

8. 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. 1741 or 1742 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.

9. 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.

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 shareholders or disinterested directors or otherwise both as to action in an 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 person.

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.

12. Interpretation. The provisions of this Article are intended to constitute bylaws authorized by 15 Pa. C.S. § 513 and 1746 and 42 Pa. C.S. § 8365.

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James Walker Secretary (Seal)

Date: September 24, 2004

UNANIMOUS CONSENT AGREEMENT OF  
THE BOARD OF DIRECTORS IN LIEU OF  
A SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF EASTMINSTER PRESCHOOL, INC.

We, the undersigned, being all of the Directors of Eastminster Preschool, Inc. do hereby consent in writing to the adoption of the following resolutions to the end that they shall be adopted as valid corporate action as though such resolutions had been adopted at a special meeting of the Board of Directors of the Company.

RESOLVED, that paragraph 1. of Article III – DIRECTORS of the Bylaws be amended by deleting that paragraph in its entirety and substituting the paragraph attached hereto and made a part hereof in its place.

FURTHER RESOLVED, except as amended and modified hereby the Bylaws of the Eastminster Preschool, Inc. as originally adopted are hereby ratified and confirmed;

FURTHER RESOLVED, that this unanimous consent agreement be filed with the secretary of the Corporation.

Dated: 2/3/09

Reverend Joseph Reggin, Senior Pastor

Kathryn Meckley  
Kathryn Meckley, Executive Director

David McIntosh  
David McIntosh

Albert Spinner  
Albert Spinner

James Walker  
James Walker

### ARTICLE III – DIRECTORS

1. The business and affairs of this corporation shall be managed by its Board of Directors, which shall be no less than five (5) in number, who shall be natural persons of full age and who need not be residents of this Commonwealth, one of whom shall be the executive director of Eastminster Preschool. The remaining directors shall be appointed by the session or other governing body of the Church and shall be members in good standing of Eastminster Presbyterian Church and shall serve for a five year term or until their successors are appointed and duly qualified. The senior Pastor of the Eastminster Presbyterian Church (hereinafter “Church”) shall serve as an advisor to the Board of Directors.