



BOARD OF DIRECTORS

RESOLUTION
Regarding LSC Bylaws Amendments
to Conform Them to the
District of Columbia Nonprofit Corporation Act of 2010

WHEREAS, The District of Columbia Nonprofit Act of 2010 (“new Act”) becomes effective as of January 1, 2012;

WHEREAS, the new Act contains provisions regarding when notices to Directors of meetings are deemed given, which provisions conflict with the current LSC Bylaws; and

WHEREAS, LSC needs to amend its Bylaws to conform them to the new Act’s provisions on notice;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors adopts the attached amendments to its Bylaws conforming the notice provision to the terms of the new Act and making conforming amendments and some additional, nonsubstantive editorial amendments.

Adopted by the Board of Directors
On December 21, 2011

A handwritten signature in black ink, appearing to read "John G. Levi".

John G. Levi
Chairman

A handwritten signature in black ink, appearing to read "Victor M. Fortuno".

Victor M. Fortuno
*Vice President, General Counsel
& Corporate Secretary*

Attachments

List of Changes to LSC Bylaws

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- The title of section 4.04 has a period added to read: Public Announcement.
- The prior authority citation to the DC law (D.C. Code, §§ 29-310.05, 29-310.13) is amended to reflect the new statutory citations to read: D.C. Code, §§29-101-01 – 107.05 and 29.401.01 – 29.414.03.

Section 1.03 Definitions

- A new definition of “electronic communication” is added reading: “‘Electronic communications’ refers to any means for transmitting written messages through electronic means, including email, fax machine, computer modem or any other electronic communication capable of transmitting a written message.”
- A new definition of “express mail” is added reading: “‘Express mail’ means United States mail sent as express mail or by any commercial delivery service or bonded carrier with one day service.”
- The prior definition of “telefax or express mail” is deleted.
- The subparagraph designators for the remaining definitions are re-lettered accordingly.

Section 3.08 Compensation

- The statutory citation reference has been corrected to read “5316” instead of “5332.”

Section 4.02 Notices

- Paragraphs (b) and (c) which used to read:

(b) Notice of a meeting of the Board may be given by mail, by telefax or express mail, or may be delivered in person. When mailed, notice of a meeting of the Board shall be deemed given when deposited with the United States Postal Service, first-class postage paid, addressed to the Director at his or her address appearing on the books of the Corporation or supplied by him or her for the purpose of such notice. Notice which is delivered to a Director shall be delivered at such address to a person having apparent authority to accept such delivery. Notice by telefax or express mail shall be deemed given when sent, charges prepaid, to such address.

(c) Unless a majority of the Directors determines by recorded vote that Corporation business requires fewer than the specified days notice, notice of a meeting, including regular, special and rescheduled meetings, shall be mailed to each Director at least seven (7) days before the date of the meeting or shall be delivered or telefaxed or express mailed at least five (5) days before the date of the meeting; notice of postponement of a meeting shall be mailed to each Director at least five (5) days before the date on which such meeting was originally scheduled or shall be telefaxed or express mailed or delivered at least three (3) days before such scheduled date. In

the event fewer than the specified days notice is required, notice shall be mailed or telefaxed or express mailed or delivered at the earliest practicable time.

have been revised to read:

(b) Notice of a meeting of the Board may be given by mail, by express mail, or by electronic communications, or may be delivered in person. Notice of a meeting given by mail or express mail shall be deemed effective at the earliest of the following: (1) when received; (2) when left at the recipient's residence or usual place of business; (3) five days after its deposit in the US Mail or with a commercial delivery service; or (4) on the date shown on the return receipt for registered or certified mail with a return receipt requested or by commercial delivery service. Notice which is delivered to a Director shall be delivered at such address to a person having apparent authority to accept such delivery. Notice of a meeting given by electronic communications shall be deemed given when it enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record and it is in a form capable of being processed by that system. Notices given by electronic communications are deemed received if properly given even if no individual is aware of its receipt.

(c) Unless a majority of the Directors determines by recorded vote that Corporation business requires fewer than the specified days notice, notice of a meeting, including regular, special and rescheduled meetings, shall be mailed to each Director at least seven (7) days before the date of the meeting or shall be delivered, or sent by electronic communications at least five (5) days before the date of the meeting; notice of postponement of a meeting shall be mailed to each Director at least five (5) days before the date on which such meeting was originally scheduled or shall be sent by electronic communications or express mailed or delivered at least three (3) days before such scheduled date. In the event fewer than the specified days notice is required, notice shall be mailed or sent by electronic communications or express mailed or delivered at the earliest practicable time.

Section 5.02 Committee Procedures

- Two typographical errors in the section were corrected to harmonize the capitalization of the word "section" referencing Section 5.01(a)(1) of the Bylaws, and section 1004(g) of the LSC Act.

Section 6.05 The President

- The statutory citation reference has been corrected to read "5316" instead of "5332."

Section 6.10 Compensation

- The statutory citation reference has been corrected to read "5316" instead of "5332."

**ANNOTATED REDLINE VERSION WITH REVISIONS
AS OF DECEMBER 2011
BY-LAWS OF THE LEGAL SERVICES CORPORATION**
[As adopted by the Board of Directors on ~~March 17,~~
~~1995~~Dec. 21, 2011.]

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Comment [mc1]: This fixes a typo.

Authority: 42 U.S.C. §§ 2996 - 2996I; D.C. Code, §§ ~~29-310.05, 29-310.13~~29-101-01 – 107.05 and 29.401.01 – ~~29.414.03~~

Comment [mc2]: This updates the citations to the DC Nonprofit Corporation Act

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Article I - Nature, Powers, and Duties of Corporation; Definitions

Section 1.01. Nature of the Corporation.

The Legal Services Corporation is the corporation established by section 1003 of the Legal Services Corporation Act, 42 U.S.C. § 2996b. The Act establishes the Corporation as a private, non-membership, non-profit corporation for the purpose of providing financial support for legal assistance in non-criminal proceedings or matters to persons financially unable to afford legal assistance. Except as otherwise specified in the Act, the Corporation shall not be considered a department, agency, or instrumentality of the Federal Government.

Section 1.02. Powers and duties.

The powers and duties of the Corporation are as set forth in the Act including, to the extent consistent with the Act, the powers conferred upon a non-profit corporation by the District of Columbia Nonprofit Corporation Act, D.C. Code Title 29, Chapter 5, except for the power to cease corporate activities and surrender the corporate franchise.

Section 1.03. Definitions.

As used in these By-Laws-

(a) "**Act**" means the Legal Services Corporation Act, 42 U.S.C. §§ 2996-2996 I, as amended;

(b) "**Board**" means the Board of Directors of the Corporation;

(c) "**Corporation**" means the Legal Services Corporation established by the Act;

(d) "**Director**" means a voting member of the Board appointed by the President of the United States;

(e) "Electronic communications" refers to any means for transmitting written messages through electronic means, including email, fax machine, computer modem or any other electronic communication capable of transmitting a written message.

(f) "Express mail" means United States mail sent as express mail or by any commercial delivery service or bonded carrier with one day service.

(g) "**Member of the Board**" means a Director or the President of the Corporation;

(h) "**Member of the immediate family**" means, with respect to any individual, his or her spouse or minor child;

(i) "**Person**" means an individual;

(j) "**Political**" means membership in or association with a political party or organization or participation in the campaign of a political party or candidate for elective public or party office, or engendering support for or opposition to any such political party or candidate;

(k) "**Recipient**" means any grantee or contractor receiving financial assistance from the Corporation under section 1006(a)(1)(A) of the Act;

Comment [mc3]: The current bylaws have a definition of "telefax and express mail" that includes email or other electronic communications. Because of the change to the notices section required to conform the bylaws to the requirements of the new Nonprofit Corporation Act, it makes more sense to delete the previous definition and separate out electronic communications from express mail. Thus, new definitions for "electronic communications" and "express mail" are proposed, the old definition of "telefax or express mail" is proposed to be deleted and the remaining paragraphs are proposed to be redesignated accordingly.

(j) ~~"Telefax or express mail" refers to any means for transmitting written messages including, but not limited to, express mail, bonded carrier with one day service, fax machine, computer modem or any other electronic communication capable of transmitting a written message.~~

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ARTICLE II - OFFICES AND AGENTS

Section 2.01. Principal office.

The Corporation shall maintain its principal office in the District of Columbia.

Section 2.02. Agent.

The Corporation shall maintain in the District of Columbia a designated agent to accept service of process for the Corporation.

Section 2.03. Other offices and agents.

The Corporation may also have offices and agents at such other places, either within or without the District of Columbia, as the business of the Corporation may require.

ARTICLE III - BOARD OF DIRECTORS

Section 3.01. General powers.

The Board shall have the power to direct the business and affairs of the Corporation and to control and safeguard its property, subject to the provisions of the Act.

Section 3.02. Number, terms of office, and qualifications.

(a) The Board shall consist of eleven Directors. The President of the Corporation shall serve as a non-voting ex officio member of the Board. The Directors shall be appointed by the President of the United States, by and with the advice and consent of the Senate. No more than six of the Directors shall be of the same political party. A majority of the Directors shall be members of the bar of the highest court of a state. None of the Directors shall be a full-time employee of the United States. The membership of the Board shall include eligible clients, and be generally representative of the organized bar, attorneys providing legal assistance to eligible clients, and the general public.

(b) The term of office of each Director shall be three years. Each Director shall continue to serve until such Director's successor has qualified. The term of each Director shall be computed from the date of termination of the preceding term. Any Director appointed to fill a vacancy occurring prior to the expiration of the term for which such Director's predecessor was appointed shall be appointed for the remainder of such term. No Director shall be reappointed to more than two consecutive terms immediately following such Director's initial term.

(c) Except as otherwise provided by law, the term of each Director shall expire on July 13th of the third year following commencement of the term for which such Director was appointed.

Section 3.03. Qualification.

A Director shall be deemed qualified when he or she is appointed by the President, the Senate having given its advice and consent. A Director appointed by the President during a recess of the Senate to fill a validly existing vacancy shall be considered qualified for the duration of such appointment.

Section 3.04. The Board Chair and Vice Chair.

(a) Annually or at such other time as there may be vacancies in such offices, the Board shall elect a Chair and Vice Chair of the Board from among its voting members. Each such officer shall serve at the pleasure of the Board, or until his or her successor has been duly elected in his or her stead, or until he or she shall resign or otherwise vacate his or her office or Board membership.

(b) The Board Chair shall, if present, preside at all meetings of the Board, shall carry out all other functions required of the Board Chair by the Act and these By-Laws, and shall perform such other duties as may be assigned by the Board.

(c) The Board Vice Chair shall, in the absence of the Board Chair, preside at meetings of the Board and shall, for purposes of these By-Laws, be considered the Chair of any meeting at which he or she so presides. In addition, the Vice Chair shall carry out all other functions required of the Vice Chair by these By-Laws and shall perform such other duties as may be delegated by the Board Chair or assigned by the Board.

Section 3.05. Outside interests of directors.

(a) No member of the Board may participate in any decision, action, or recommendation with respect to any matter which directly benefits such member or pertains specifically to any firm or organization, other than the Corporation, with which such member is then associated or has been associated within a period of two years. For the purposes of this paragraph:

(1) A member of the Board shall be deemed "associated" with a firm or organization if such member (i) is serving or within the two prior years has served as a director, officer, trustee, employee, consultant, attorney, agent or partner thereof, or in any of such other capacities as the Board may from time to time determine, (ii) is negotiating or has any arrangement concerning prospective employment therewith, (iii) is receiving any pension or deferred compensation subject to the control of or modification by such firm or organization; or (iv) has or has had, within the prior two years, any significant personal financial or ownership interest therein; and

(2) The term "member of the Board" includes a member of the immediate family of a member of the Board.

(b) Pursuant to guidelines to be established by the Board from time to time, each member of the Board, upon assuming office shall file with the Secretary a statement identifying any firm or organization with which he or she is then or has been within the prior two years associated (as defined in paragraph (a) of this section) and the nature of the association. In the event the association is a result of a financial or ownership interest, that fact shall be reflected in the statement, but the member need not reveal the degree of financial interest. Such Disclosure Statement shall be updated annually or more often as set forth in the guidelines.

Section 3.06. Removal.

(a) A Director may be removed by a vote of seven Directors at a meeting of the Board for persistent neglect of or inability to discharge his or her duties of office, for malfeasance in office, or for offenses involving moral turpitude, and for no other cause.

(b) The Board shall consider whether a Director shall be removed only when:

(1) Five or more Directors, or at least 40 percent of the Directors in office where the total number of Directors then in office is less than eleven, have stated in writing that they believe there is reasonable cause to consider such action, giving specific allegations in support of such belief; or

(2) A Director shall fail to participate in three consecutive meetings of the Board, or a majority of the meetings held in any one-year period.

(c) Whenever the requirements of paragraph (b) of this section are met, the Chair shall cause the agenda for the next meeting of the Board to include the question whether such Director shall be removed and the Secretary shall provide the notice required by paragraph (d) of this section. Should the scheduling of the next meeting of the Board not provide adequate time in which to comply with the requirements of paragraph (d) of this section, the question whether a Director shall be removed shall be placed on the agenda for the meeting of the Board immediately following the next meeting.

(d) A Director may not be removed unless (1) written notice of the basis of removal has been provided to such Director at least thirty days before a vote is taken concerning his or her removal and (2) the Director has been afforded the opportunity to contest the removal by making written submissions to the other members of the Board and by appearing in person with, without or by counsel at the meeting at which the vote concerning removal is taken.

Section 3.07. Resignation.

A Director may resign at any time by giving written notice of his or her resignation to the President of the United States, with a copy being sent to the Chair of the Board and to the President of the Corporation. A resignation shall take effect at the time received by the President of the United States, unless another time is specified therein. The acceptance of a resignation shall not be necessary to make it effective.

Section 3.08. Compensation.

To the extent provided for by resolution of the Board, Directors shall be entitled to receive compensation for their services on the Board or on any committee thereof and for other activity relating to the affairs of the Corporation. Such compensation shall be at a rate not in excess of the per diem equivalent of the Level V rate of the Executive Schedule specified from time to time in section ~~5332~~ 5316 of Title 5 U.S.C. Directors also shall be entitled to receive reimbursement for travel, subsistence, and other expenses necessarily incurred in connection with such services or activity. A Director shall not serve the Corporation in any other capacity or receive compensation for such service, except as authorized by the Board. In no event shall a Director receive compensation in more than one capacity.

Comment [mc4]: This is not related to the new Nonprofit Corporation Act. The existing citation has been incorrect and this proposed change merely corrects the citation.

ARTICLE IV - MEETINGS OF DIRECTORS**Section 4.01. Meetings.**

(a) Meetings of the Board shall be held at least four times a year. An annual meeting shall be held on the last Friday of January of each year at such hour and place as shall be determined by a majority of the Directors. All other meetings shall be held at such intervals and at such locations as shall be determined by a majority of Directors, except that special meetings may be called:

- (1) by the Chair;
- (2) by at least 40 percent of the Directors then in office; or
- (3) by the President of the Corporation and at least 30 percent of the Directors then in office.

(b) A majority of the Directors may agree to postpone a meeting, including the annual meeting, or to reschedule a meeting, including the annual meeting, to a date in advance of the scheduled date for such meeting. Any postponement or rescheduling of the annual meeting shall be to a date not more than thirty (30) days before or after the date on which the annual meeting was originally scheduled.

(c) A Director may participate in a meeting of the Board by conference telephone or similar communications equipment by means of which all persons participating in the meeting are able to hear one another and by which interested members of the public are able to hear and identify all persons participating in the meeting. Any Director so participating in a meeting shall be deemed present for all purposes, including constituting a quorum. Any meeting of the Board may be conducted entirely by conference telephone or similar communications equipment, consistent with the requirements of this provision.

Section 4.02. Notice and waiver of notice.

(a) Notice of all meetings of the Board shall specify the place and time of the meeting and, in accordance with Section 4.03, shall include the agenda of matters to be discussed at the meeting.

(b) Notice of a meeting of the Board may be given by mail, by ~~express mail, or by electronic communications, telefax or express mail~~, or may be delivered in person. ~~Notice of a meeting given by mail or express mail shall be deemed effective at the earliest of the following: (1) when received; (2) when left at the recipient's residence or usual place of business; (3) five days after its deposit in the US Mail or with a commercial delivery service; or (4) on the date shown on the return receipt for registered or certified mail with a return receipt requested or by commercial delivery service. When mailed, notice of a meeting of the Board shall be deemed given when deposited with the United States Postal Service, first class postage paid, addressed to the Director at his or her address appearing on the books of the Corporation or supplied by him or her for the purpose of such notice.~~ Notice which is delivered to a Director shall be delivered at such address to a person having apparent authority to accept such delivery. Notice ~~of a meeting given by electronic communications by telefax or express mail~~ shall be deemed given ~~when it enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record and it is in a form capable of being processed by that system. Notices given by electronic communications are deemed received if properly given even if no individual is aware of its receipt.~~ ~~when sent, charges prepaid, to such address.~~

Comment [mc5]: The new Nonprofit Corporation Act specifies when notices are deemed given. LSC's bylaws provision on notice is inconsistent with the new law and needs to be changed. The proposed revisions delete the obsolete language and substitutes in new language. The proposed new language is drawn directly from the new act. Because the new notice provisions deal separately with mail/express mail and electronic communications, conforming changes to the definitions sections to separate the terms "electronic communications" and "express mail" have been proposed (see section 1.03, above)

(c) Unless a majority of the Directors determines by recorded vote that Corporation business requires fewer than the specified days notice, notice of a meeting, including regular, special and rescheduled meetings, shall be mailed to each Director at least seven (7) days before the date of the meeting or shall be delivered, ~~or telefaxed or~~ express mailed, ~~or sent by electronic communications~~ at least five (5) days before the date of the meeting; notice of postponement of a meeting shall be mailed to each Director at least five (5) days before the date on which such meeting was originally scheduled or shall be ~~telefaxed sent by electronic communications~~ or express mailed or delivered at least three (3) days before such scheduled date. In the event fewer than the specified days notice is required, notice shall be mailed or ~~telefaxed sent by electronic communications~~ or express mailed or delivered at the earliest practicable time.

Comment [mc6]: The changes in this section are conforming changes to accompany the use of separate terms "electronic communications" and "express mail" necessitated by the new notice provision. These proposed changes are of no substantive effect, but merely correspond to the revised terms being used.

(d) A waiver of notice of a meeting must be in writing and signed by the Director entitled to such notice and submitted by that Director to the Chair of the Board or the Secretary of the Corporation before or after the time of such meeting. Attendance of a Director at any meeting shall constitute a waiver by such Director of notice of such meeting, except where he or she attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4.03. Agenda.

For each meeting, the Board Chair or the President of the Corporation shall cause to be prepared a working agenda of matters to be discussed at the meeting and shall include the agenda in the notice of the meeting required to be sent to all Directors by Section 4.02.

Any matters appearing on the agenda which the Chair of the Board or the President believes should be discussed in an executive session in accordance with Section 4.07 shall be so noted.

Section 4.04. Public Announcement.

(a) There shall be a public announcement of every meeting of the Board. The announcement shall include:

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- (1) The time, place, and subject matter of the meeting;
- (2) Whether the meeting or a portion thereof will be closed to public observation; and
- (3) The name and telephone number of a person designated to respond to requests for information about the meeting.

(b) Public announcement shall be given at least seven (7) calendar days before the meeting, unless a majority of the Directors determines by a recorded vote that Corporation business requires a meeting on fewer than seven (7) days notice. In the event that such a determination is made, public announcement shall be posted at the earliest practicable time.

(c) The public announcement shall be posted at the offices of the Corporation in an area to which the public has access and filed for publication in the Federal Register. Reasonable effort shall be made to send the notice to the governing board and the program director of every recipient.

(d) There shall be issued at the earliest practicable time an amended announcement of any change in the information provided by a public announcement. Such changes shall be made in the following manner:

- (1) The time or place of a meeting may be changed without a recorded vote.
- (2) The subject matter of a meeting, or a decision to open or close a meeting or portion thereof, may be changed by recorded vote of a majority of the Directors that Corporation business so requires and that no earlier announcement of the change was possible.

(e) An amended public announcement shall be made in the manner specified in sections (a) and (c) hereof. In the event that changes are made pursuant to section (d)(2) hereof, the amended public announcement shall also include the vote of each Director upon such change.

Section 4.05. Organization of Directors' meetings.

At each meeting of the Board, the Board Chair, or in the Chair's absence the Vice Chair, shall preside. The Secretary of the Corporation shall act as secretary at all meetings of the Board. In the absence of the Secretary from any such meeting, the Chair of the meeting shall appoint a person to act as secretary of the meeting.

Section 4.06. Quorum, manner of acting, and adjournment.

(a) At each meeting of the Board, the presence of a majority of the Directors then in office, but in no event fewer than four (4) Directors, shall constitute a quorum for the transaction of business. Except as otherwise specifically provided by law or these By-

Laws, the vote of a majority of the Directors present shall be the act of the Board, provided a quorum was present. If a quorum is present at any time during a meeting, the quorum shall be deemed to continue and any action subsequently taken is a valid action, unless during the meeting and prior to taking such action a Director suggests the absence of a quorum and there is, in fact, no quorum present when the vote is taken. A Director who is present at a meeting of the Board, but who is required to or who does abstain from participation in the vote upon any matter, whether he or she remains in the meeting or not, may be counted for the purpose of determining whether a quorum is present.

(b) A majority of the Directors present at a duly convened meeting, whether or not they comprise a quorum, may temporarily recess the meeting. Whenever a meeting is temporarily recessed to a date not more than five (5) business days following such recess, it shall not be necessary to give any notice of the recessed meeting or of the business to be transacted thereat otherwise than by an announcement at the meeting at which such recess is taken.

(c) Each Director shall be entitled to one vote. Voting rights of Directors may not be exercised by proxy.

Section 4.07. Public meetings; executive sessions.

All meetings of the Board shall be open to the public in accordance with the requirements of Section 1004(g) of the Act, 42 U.S.C. § 2996c(g), and the Corporation regulation promulgated thereunder, 45 C.F.R. Part 1622, unless closed to the public as authorized by law or the regulations of the Corporation. That part of the meeting closed to the public shall be known as an executive session. The Chair of the meeting shall announce the general subject of the executive session prior thereto.

Section 4.08. Public participation.

The Board welcomes written and other communication from members of the public. By written request in advance of a meeting, members of the public may seek to be invited by the Chair of the meeting to address that meeting. Other members of the public may address a meeting of the Board upon invitation of the Chair of the meeting, under terms and conditions established by the Chair, unless the Board otherwise directs.

Section 4.09. Emergency proceedings.

If, in the opinion of the Board Chair or of the Director presiding at a meeting, the Directors are rendered incapable of conducting a meeting by the acts or conduct of any member of the public present at the meeting, the Directors may thereupon determine by a recorded vote of the majority of the Directors present at the meeting that the Board Chair or the Director presiding at the meeting shall have the authority to have such member of the public who is responsible for such acts or conduct removed from the meeting.

Section 4.10. Minutes.

The minutes of each meeting of the Board, including an executive session, shall record the names of the Directors present, the actions taken and the result of each vote. If there is a division on a vote, the minutes shall record the vote of each Director. A copy of the minutes of each meeting shall be supplied to each Director in advance of the next meeting and shall be presented for approval by the Board at such meeting. The minutes of each meeting or portion thereof open to public observation shall be available for inspection by the public.

Section 4.11. Action by directors without a meeting.

Any action which may be taken at a meeting of the Board may be taken without a meeting, if a consent in writing to such action is signed by all of the Directors. Any action so taken shall be included in the notice of the next meeting of the Board, unless the action is such as might have been taken in an executive session of a Board meeting as authorized by law or these By-laws.

ARTICLE V-COMMITTEES**Section 5.01. Establishment and appointment of committees.**

(a) The Board may establish or dissolve committees as follows:

(1) A committee which may exercise the authority of the Board shall be established and thereafter dissolved only by resolution of a majority of the Directors in office. Such committee must consist of three or more Directors;

(2) A committee which will not exercise the authority of the Board may be established and thereafter dissolved by resolution of a majority of the Directors present at a meeting where a quorum is present. The membership of any committee not exercising the authority of the Board may include non-Directors as well as Directors.

(3) The resolution creating any committee shall set out the authority, responsibility and limitations, if any, of such committee.

(b) The Board may appoint and designate or may delegate to the Board Chair the authority to appoint Directors or non-Directors, as appropriate, to serve on committees, or to designate committee chairs. Any non-Director may be appointed to serve as a voting or non-voting member of a committee, as determined by the Board or, if the appointing authority has been delegated, by the Board Chair. The Board Chair shall be an ex officio voting member of each committee.

Section 5.02. Committee procedures.

(a) Except as otherwise provided in these By-Laws or in the resolution establishing the committee, a majority of the voting members thereof, or one-half of such members if

their number is even, shall constitute a quorum. The vote of a majority of the voting members present at the time of a vote, if a quorum is present at such time, shall be the act of the committee. Meetings of each committee shall be called by the chair of the committee or any two members of the committee with notice thereof provided to each committee member.

(b) Notice of a committee meeting shall be provided to members of the committee in the manner required for notice of meetings of the Board in Section 4.02. Notice may be waived in the manner described in Section 4.02(d). Public announcement of meetings of committees created under Section 5.01(a)(1) shall be given in the manner provided in Section 4.04. Announcement of meetings of committees created under Section 5.01(a)(2) shall be given so as to provide reasonable notice to the public. The agenda for the meeting shall be prepared by the Committee Chair in consultation with the Corporation Secretary and, in the case of a committee created under Section 5.01(a)(1), the Board Chair.

(c) The meetings of any committee created pursuant to ~~section~~ ~~Section~~ 5.01(a)(1) shall be open to the public in accordance with the requirements of ~~Section~~ ~~section~~ 1004(g) of the Act, 42 U.S.C. § 2996c(g), and the Corporation regulation promulgated thereunder, 45 C.F.R. Part 1622, unless closed to the public as authorized by law or the regulations of the Corporation. The meetings of any committee created pursuant to Section 5.01(a)(2) shall be open to the public unless closed to the public as authorized by Part 1622 of the Corporation regulations.

Comment [mc7]: These changes simply fix typos to make the capitalization consistent with other references throughout the bylaws.

(d) Minutes of each committee meeting shall record the names of the committee members present, the actions taken and the result of each vote. If there is a division on a vote, the minutes shall record the vote of each committee member. A copy of the minutes of each committee meeting shall be supplied to each committee member in advance of the next meeting and shall be presented for approval by the committee at such meeting. The minutes of each meeting or portion thereof open to public observation shall be available for inspection by the public.

(e) Any member of the Board shall have access to all the records of any committee.

ARTICLE VI-OFFICERS

Section 6.01. Officers of the Corporation.

The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board determines to be necessary, all of whom shall serve at the pleasure of the Board. All officers shall be appointed by a majority of the Directors in office. The officers shall have such authority and perform such duties, consistent with the Act and these By-Laws, as may from time to time be determined by the Board or, with respect to the officers other than the President, by the President of the Corporation consistent with any such determination of the Board.

Section 6.02. Appointment, term of office, and qualifications.

An officer shall be appointed whenever a vacancy arises. An officer shall hold office until his or her successor has been duly appointed or until the officer dies, resigns or is removed in the manner provided in Section 6.03. Any two offices except the offices of the President and Secretary may be held by the same person.

Section 6.03. Removal.

Any officer may be removed from office, with or without cause, by a majority of the Directors in office, but any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Removal from office may or may not terminate the employment of the person so removed as determined by the Board, in the case of the President, or by the President, in the case of any other officer.

Section 6.04. Resignation.

Any officer may resign his or her office at any time by giving a written notice of resignation to the Board Chair. An officer other than the President shall also submit his or her resignation to the President. Such resignation shall take effect at the time received, unless another time is specified therein or by the Board. The acceptance of such resignation shall not be necessary to make it effective. Resignation from an office does not necessarily terminate the employment of the person so resigning. That determination will be made by the Board, in the case of the President, or by the President, in the case of any other officer.

Section 6.05. The President.

(a) The President of the Corporation shall be its Chief Executive Officer and shall have responsibility and authority in accordance with the Act, rules and regulations promulgated pursuant to the Act and these By-Laws, subject to the direction of and policies established by the Board, for:

- (1) The day-to-day administration of the affairs of the Corporation;
- (2) The supervision of the other officers of the Corporation in the performance of their duties;
- (3) The appointment of such employees of the Corporation as the President determines to be necessary to carry out the purposes of the Corporation, and the removal of such employees;
- (4) Determining the compensation of employees appointed pursuant to paragraph (a)(3) of this section, at such rates as the President determines appropriate, but not to exceed the rate of Level V of the Executive Schedule specified in section ~~5332~~ 5316 of Title 5, U.S.C.

Comment [mc8]: This proposed change fixes an incorrect citation. See comment accompanying section 3.08, above.

(5) Making grants and entering into contracts; and

(6) The exercise of such other powers incident to the office of President of the Corporation and the performance of such other duties as the Board may prescribe.

(b) The President of the Corporation shall be a member of the bar of the highest court of a state and shall be a non-voting ex officio member of the Board of Directors.

Section 6.06. The Vice President.

The Vice President(s), including an Executive Vice President, if any, shall have such powers and perform such duties as the President may from time to time prescribe, consistent with any determination of the Board. In the absence of or upon delegation by the President, the Executive Vice President shall perform the duties of the President. In the absence of an Executive Vice President, the President shall delegate to any other Vice President the authority to perform the duties of the President during the President's absence. Any Vice President performing the duties of the President pursuant to this paragraph shall have all the powers of, and shall be subject to all restrictions upon, the President. Any such Vice President shall be a member of the bar of the highest court of a state.

Section 6.07. The Secretary.

The Secretary shall:

(a) Ensure that all notices are duly given in accordance with the Act and these By-Laws;

(b) Be the custodian of the seal of the Corporation and affix such seal to all documents the execution of which is authorized by the Board or which are executed by any officer or employee of the Corporation to whom the power to execute the document has been delegated;

(c) Keep, or cause to be kept, in books provided for the purpose, minutes of the meetings of the Board and each committee;

(d) Ensure that the books, reports, statements and all other documents and records over which the Secretary has custody or control are properly kept and filed;

(e) Sign such instruments as require the signature of the Secretary; and

(f) In general, perform all the duties incident to the office of the Secretary and other duties assigned by the Board or the President.

Section 6.08. The Treasurer.

The Treasurer shall:

- (a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation and (with the exception of petty cash) cause to be deposited all such funds and securities in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-Laws;
- (b) Receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;
- (c) Sign such documents as shall require the signature of the Treasurer;
- (d) Render at each meeting of the Board, and at such other times as the Board may require, a report on the financial condition of the Corporation; and
- (e) In general, perform all the duties incident to the office of Treasurer and other duties assigned by the Board or the President of the Corporation. The Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such sureties as the Board shall determine.

Section 6.09. Other Officers.

The Board may appoint such other officers, including, but not limited to Assistant Secretary or Assistant Treasurer, as the Board deems necessary to conduct the business of the Corporation and may assign to them such duties and responsibilities as it deems necessary or appropriate.

Section 6.10. Compensation.

The President shall be compensated at a rate determined by the Board from time to time, but not to exceed the rate of Level V of the Executive Schedule specified in section ~~5332~~ 5316 of Title 5, U.S.C. The compensation of each officer other than the President shall be fixed by the President, after consultation with the Board, at a rate not to exceed the rate of Level V of the Executive Schedule referenced above. No officer of the Corporation may receive any salary or other compensation for services from any sources other than the Corporation during his or her period of employment by the Corporation, except as authorized by the Board.

Comment [mc9]: This proposed change fixes an incorrect citation. See comment accompanying section 3.0, above.

Section 6.11. Prohibition against using political test or qualification.

No political test or political qualification shall be used in selecting, appointing, promoting or taking any other personnel action with respect to any officer, agent or employee of the Corporation, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under the Act.

Section 6.12. Outside interests of officers and employees.

The Board may from time to time adopt rules and regulations governing the conduct of officers or employees with respect to matters in which they have or may have any interest

adverse to the interests of the Corporation. Such rules and regulations may forbid officers or employees from participating in corporate action with respect to any contract, grant, transaction or other matter in which, to the knowledge of such officers or employees, they or any member of their immediate families have any interest, financial or otherwise, unless (a) such officer or employee makes full disclosure of the circumstances to the Board or its delegate and the Board or its delegate determines that the interest is not so substantial as to affect the integrity of the services of such officer or employee, or (b) on the basis of standards to be established in such rules and regulations, the interest is too remote or too inconsequential to affect the integrity of such services. Such rules and regulations may define an interest adverse to the interests of the Corporation as, among other things, (a) the ownership by an officer or employee, or member of his or her immediate family, of securities of any firm, corporation or other entity doing a substantial volume of business with the Corporation; or (b) the association by an officer or employee, or member of his or her immediate family, with any firm, corporation or other entity doing a substantial volume of business with the Corporation. Such rules and regulations also may establish appropriate limits and reasonable prohibitions upon the conduct or transaction of any corporate-related business or affairs by the Corporation through its officers, employees or agents with any former officers or employees of the Corporation or with any entities with which or persons with whom any former officer or employee is associated.

ARTICLE VII-DEPOSITS AND ACCOUNTS

Section 7.01. Deposits and accounts.

All funds of the Corporation, not otherwise employed, shall be deposited from time to time in general or special accounts in such banks, trust companies or other depositories as the Board may select, or as may be selected by an officer, agent or employee of the Corporation to whom such power has been delegated by the Board. For purposes of deposit and collection for the account of the Corporation, checks, drafts and other orders for the payment of money payable to the order of the Corporation may be endorsed, assigned and delivered by any officer of the Corporation designated by the Board. No Director, officer or employee of the Corporation may borrow money in the name of the Corporation or pledge the credit of the Corporation without express authority from the Board which may be given in the form of budget approval.

ARTICLE VIII-SEAL

Section 8.01. Seal.

The Corporation shall have a corporate seal, which shall include the words "Established by Act of Congress July 25, 1974" and shall be in the form adopted by the Board from time to time.

ARTICLE IX-FISCAL YEAR

Section 9.01. Fiscal year.

The fiscal year of the Corporation shall begin on October 1 of each year.

ARTICLE X-INDEMNIFICATION**Section 10.01 Indemnification.**

(a) For purposes of this section:

- (1) "**Agent**" means an individual who has an agency relationship with the Corporation, is serving in a voluntary capacity, and is acting on behalf of the Corporation and within the scope of the agency.
- (2) "**Director**" means a Director of the Corporation, as defined in these By-Laws, who is acting on behalf of the Corporation in his or her official capacity.
- (3) "**Employee**" means an individual who has an employment relationship with the Corporation and is acting on behalf of the Corporation and within the scope of employment.
- (4) "**Expenses**" means those expenses actually and necessarily incurred by a party in connection with a proceeding including, for example, attorneys' fees and charges, court costs and witness fees.
- (5) "**Indemnitee**" means a person seeking indemnification or advancement of expenses under this section including a director, officer, employee or agent of the Corporation.
- (6) "**Liability**" means the obligation to pay a judgment, settlement, penalty, fine, or reasonable expenses incurred with respect to a proceeding.
- (7) "**Officer**" means an individual who holds an office of the Corporation and is acting on behalf of the Corporation in his or her official capacity as contemplated in these By-Laws.
- (8) "**Party**" means an individual who was, is or is threatened to be made a named defendant, respondent, responsible individual, witness in, or subject of, a proceeding.
- (9) "**Proceeding**" includes any threatened, pending, or completed action, suit or proceeding of any type, whether civil, criminal, administrative, legislative, or investigative and whether formal or informal.

(b) Subject to paragraph (d) of this section, the Corporation shall indemnify any person involuntarily made a party to a proceeding because he or she is or was a director, officer, employee or agent of the Corporation against liability incurred in the proceeding if:

- (1) such person conducted himself or herself in good faith; and
- (2) such person reasonably believed his or her conduct to be in the best interests of the Corporation; and
- (3) such person reasonably believed his or her conduct to be in accord with the law, regulations, and Corporation policies in effect at the time of such conduct; and

(4) in the case of any criminal proceeding, such person had reasonable cause to believe his or her conduct was lawful.

(c) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or equivalent, is not, of itself, determinative that the person did not meet the standard of conduct described in paragraph (b) of this section.

(d) The Corporation shall not indemnify any person under this section:

(1) in connection with a proceeding by or in the right of the Corporation in which the person has been adjudged liable to the Corporation or in which the Corporation prevails, unless and only to the extent that the forum conducting the proceeding 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 a court or other tribunal shall deem proper; or

(2) in connection with any other proceeding in which he or she was adjudged liable on the basis that personal benefit was improperly received by the indemnitee; or

(3) in connection with any proceeding in which he or she was adjudged liable for gross negligence or willful misconduct.

(e) Expenses of the indemnitee may be paid by the Corporation in advance of the final disposition of a proceeding as authorized by the Board in any case upon receipt of a written affirmation of the good faith belief of the indemnitee that he or she has met the standard of conduct necessary for indemnification and of an undertaking acceptable to the Corporation by or on behalf of the indemnitee to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this section.

(f) In order to obtain indemnification or advancement of expenses under this section, the indemnitee shall submit to the Corporation a written request, including such documentation and information as is reasonably necessary to determine whether and to what extent the indemnitee is entitled to indemnification or advancement of expenses. Any such indemnification or advancement of expenses shall be made promptly, and in any event within 90 days after receipt by the Corporation of a complete written request, provided that any indemnification under this section (unless ordered by the forum conducting the proceeding) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in paragraph (b) of this section. Such determination shall be made (1) by the vote of a majority of Directors who were not parties to the proceeding, but in no event shall such majority be fewer than three, or (2) if such vote is not obtainable or, even if obtainable, a majority of disinterested Directors so directs, by independent legal counsel in a written opinion. If a person is entitled to only a portion of the

indemnification claimed, the Corporation nevertheless shall indemnify the portion of such liability and/or expenses to which such person is entitled.

(g) The right to indemnification or to advances under this section shall be enforceable by the indemnitee in any court of competent jurisdiction in the District of Columbia, if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the 90-day period referred to in paragraph (f). However, prior to any judicial action to compel indemnification or advancement of expenses under this section, the Corporation and the indemnitee may mutually agree to submit the issue to arbitration, pursuant to procedures which shall be established by the Board from time to time. Once the Corporation and the indemnitee agree to submit to arbitration, such arbitration shall be binding, irrevocable, and enforceable. The indemnitee shall be indemnified for expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any proceeding to compel indemnification.

(h) The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any agreement or vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while serving as a director, officer, employee or agent of the Corporation, and shall continue as to a person who has ceased to hold such office and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI-AMENDMENTS

Section 11.01. Amendments.

These By-Laws may be amended by a vote of a majority of the Directors in office, provided that (a) such amendment is not inconsistent with the Act; (b) the notice of the meeting at which such action is taken shall have stated the substance of the proposed amendment; (c) the notice of such meeting shall have been given as provided in Section 4.02(c) and publicly announced as provided in Section 4.04.