

Bylaws of The Association of Theological Schools in The United States and Canada, A Pennsylvania Nonprofit Corporation

Article I: Introductory

Section 1.1 Name

The name of the corporation is The Association of Theological Schools in the United States and Canada (the "Association").

Section 1.2 Statement of Purposes

As provided in its Articles of Incorporation, the Association is organized for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) (the "Code") and in furtherance thereof to (i) promote the enhancement and improvement of theological schools in the United States and Canada and to advocate on behalf of theological education, (ii) provide a continuing educational forum for administrators and faculty in theological education, (iii) conduct applied research regarding issues and practices of theological education to contribute to the development of theological education, (iv) communicate with member schools and the broader public about theological education, and (v) provide a continuing venue to convene schools to consider issues regarding theological education, relationships among theological schools, and the relationships of theological schools to other educational institutions, associations, and ecclesiastical and governmental authorities. The corporation shall be a supporting organization of the Commission on Accrediting of the Association of Theological Schools, a 501(c)(3) organization recognized as a public charity pursuant to Section 509(a)(2) of the Code.

Section 1.3 Offices

The principal and registered office of the Association shall be located at 10 Summit Park Drive, Pittsburgh, Pennsylvania 15275, or at such other place as the Board of Directors (the "Board") may designate from time to time.

Section 1.4 Fiscal Year

The fiscal year of the Association shall end on June 30 of each year or on such other date as may be fixed from time to time by resolution of the Board.

Section 1.5 Seal

The corporate seal of the Association shall be a circle with the name of the Association and the state of incorporation around the border and the words "Corporate Seal" in the center.

Section 1.6 Governing Law

This Association is governed by the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time ("NPCL").

Article II: Members and Affiliates

Section 2.1 Eligibility

Membership in the Association is open to schools located in the United States and Canada that offer graduate, professional theological degrees, are demonstrably engaged in educating professional leadership for communities of the Christian and Jewish faiths, and meet the standards and criteria for membership established from time to time by the Association ("Membership Eligibility Criteria"). The Association shall have two classes of members: Full Members and Associate Members. Associate Members and Full Members shall be referred to collectively herein as the "Members." Members that are seeking accreditation by the Commission on Accrediting of the Association of Theological Schools ("Commission") are referred to as Associate Members. Members that are then accredited by the Commission are referred to as Full Members.

Section 2.2 Election of Associate Members

Institutions applying for membership in the Association shall be evaluated according to the then current criteria for Associate Membership as established from time to time by the Members. If the Board determines that the applicant institution then meets the then current criteria for Associate Membership, the Board shall recommend to the Members that the applicant institution be considered for election as an Associate Member at the next Biennial Meeting. Election as an Associate Member requires the favorable vote of two-thirds (2/3) of the Members of the Association present at a duly called and organized meeting of the Members. Associate Members shall provide institutional data to the Commission annually and when requested by the Commission in connection with its accreditation activities.

Associate Membership is granted for a five-year term. The Association admits Associate Members with the expectation that they will pursue accreditation by the Commission. If an Associate Member is not accredited by the Commission prior to the conclusion of its initial five-year term but has requested in writing to be granted a second five-year term as an Associate Member and continues to satisfy the Membership Eligibility Criteria, the Board shall reevaluate the institution for a second five-year term of membership and shall either accept or reject the Associate Member's request. The Board may grant such additional five-year terms as it deems appropriate.

Section 2.2(a) Reclassification to Full Member Status

Once accredited by the Commission, an Associate Member is automatically reclassified as a Full Member of the

Association. Full Members remain Members for so long as they continue to satisfy Membership Eligibility Criteria, pay all dues and charges, and remain accredited by the Commission.

Section 2.3 Powers of the Membership

In addition to any powers conferred on members of a nonprofit corporation under the relevant provisions of the NPCL, the Members of the Association shall (i) adopt the dues structure for Members, (ii) elect the officers, Directors, and any members of committees whose election or appointment is not otherwise provided for herein, and (iii) approve amendments to these Bylaws as provided in Sections 9.1 and 11.1.

Section 2.4 Duties of Membership

Each Member must (i) continue to meet the Membership Eligibility Criteria and other requirements established from time to time by the Members and (ii) deliver to the Association annual dues in an amount determined by the Members from time to time. A Member that ceases to meet the Membership Eligibility Criteria or other requirements shall cease to be a Member as of the date of such cessation. If at any time a Member is two years in arrears in payment of its annual dues, it shall be deemed to have withdrawn as a Member as of the date of becoming two years in arrears. The membership year shall be the Association's fiscal year or such other time as the Board may specify from time to time.

Section 2.5 Meetings of the Members

Meetings of the Members may be held at such place within or without the Commonwealth of Pennsylvania, as the person calling the meeting shall so indicate in the meeting notice. The Members shall meet biennially in each even-numbered year (the "Biennial Meeting"), each Biennial Meeting to be held at such time and place as the Board may determine from time to time by resolution. Special meetings of the Members shall be called by the Secretary upon the written request of ten percent (10%) of the Members of record or at the instruction of the President.

If the Board of Directors or Officers Committee has determined that an emergency exists requiring action by the Members, the Board may call a special meeting of the Members with thirty (30) days advance notice to Members (an "Emergency Meeting"). Members may participate in an Emergency Meeting via proxy. Members may not participate by proxy in any meeting of the Members that is not an Emergency Meeting.

The senior officer of the Association present shall preside at each meeting of the Members. If no officer is present, the Members present shall elect a presiding officer for the meeting then being held. The presiding officer shall determine the order of business and shall have the authority to establish equitable rules for the conduct of the meeting. The presiding officer shall announce at

the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots or votes and no revocations or changes thereto may be accepted.

Section 2.6 Notice

With the exception of Emergency Meetings, which shall be called as described in Section 2.5 above, written notice of the date, time, and place of each meeting of the Members shall be given to all Members of record entitled to vote at the meeting at least ninety (90) days prior to the date of the meeting, and the proposed agenda for the meeting shall be given to all Members no later than forty-five (45) days prior to the meeting. Such notice shall be given by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answer back received), or courier service, charges prepaid, or by facsimile to the Member's address (or telex, TWX, or facsimile number) appearing on the books of the Association. If the notice is sent by mail, telegraph, or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the US mail or with a telegraph office or courier service or, in the case of telex or TWX, when dispatched.

Section 2.7 Voting

Each Member of the Association is entitled to one vote on each matter before the Members. The manner of voting on any matter may be by voice, ballot, mail, or any other reasonable means. Each Member may send as many representatives to any meeting of the Members as it chooses; however, each Member attending any meeting of the Membership shall designate to the Association one individual to cast its ballot. In the event of a dispute regarding the identity of the individual authorized to exercise a Member's voting rights, the judges of election are authorized to award such voting rights to one of the individuals representing the Member, and the decision of the judges shall be final.

Section 2.8 Record Date

The Board may fix a time not more than ninety (90) days prior to the date of any meeting of the Members as a record date for the purpose of determining the Members entitled to notice of or to vote at such meeting. In such case, only Members of record on the date so fixed shall be entitled to notice and/or to vote notwithstanding any increase or other change on the books of the Association after the record date. If the Board does not fix a record date, then (a) the record date for determining Members entitled to notice of or to vote at the meeting shall be the close of business on the date before notice is given or, if notice is waived, the date before the meeting is held; (b) the record date for determining Members entitled to express consent or dissent to corporate action in writing without a meeting, when no prior Board action is required, shall be the date on which the first written consent or dissent is

expressed; and (c) for any other purpose the record date shall be the close of business on the day on which the Board adopts the resolution relating thereto.

Section 2.9 Judges of Election

In advance of any meeting of the Members, the Board may appoint judges of election, who need not be Members, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer may, and on the request of any Member shall, make such appointment at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge. If any person appointed as judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the presiding officer. The judges of election shall determine the number of Members of record and voting power of each; the Members present at the meeting; the existence of a quorum; the authenticity, validity, and effect of proxies, if any; receive votes or ballots; hear and determine all challenges and questions in any way arising in connection with the right to vote; count and tabulate all votes; determine the result; and do such acts as may be proper to conduct the election or vote with fairness to all Members. The judges of election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there are three judges of election, the decision, act, or certificate of a majority shall be effective in all respects as the decision, act, or certificate of all. On the request of the presiding officer of the meeting, or of any Member, the judges shall make a report in writing of any challenge or question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

Section 2.10 Liability of Associate Members and Members

No Member shall be liable, solely by reason of being a Member, under an order of court or in any other manner, for a debt, obligation, or liability of the Association of any kind or for the acts of any Member or representative of the Association. A Member shall be liable to the Association only to the extent of any unpaid membership dues or assessments that the Association may have lawfully imposed on the Member or for any other indebtedness owed by the Member to the Association.

Section 2.11 Waiver of Notice

Whenever any written notice is required to be given, a waiver thereof in writing signed by a Member entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice. Attendance of a Member at a meeting shall constitute a waiver of notice of the meeting unless the Member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.12 Quorum

The presence in person (and in the case of an Emergency Meeting only, also by proxy) of voting representatives of at least seventy-five (75) Members shall constitute a quorum. The Members present at a duly organized meeting can continue to constitute a quorum until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. The vote of a majority of the Members present at a duly organized meeting of the Members at which a quorum is present shall be the act of the Members.

Section 2.13 Termination

The membership of any Member may be terminated (a) by the Board, for failure to pay dues, or (b) by the vote of at least two-thirds (2/3) of the Members present at a meeting of the Members, for Cause, upon the recommendation of the Board. "Cause" shall mean the failure of the Member to continue to satisfy Membership Eligibility Criteria and/or any action of the Member that may materially and adversely affect the Association or its reputation. Cause does not include failure to pay dues. In the case of termination for Cause, the affected Member shall be given at least thirty (30) days' advance, written notice of any regular or special meeting of the Board of Directors at which such matter is to be considered, which notice shall specify the Cause for the proposed termination of membership. The affected Member shall be permitted to make a written response to the charges and to attend the meeting of the Board of Directors at which the Board determines whether to recommend termination and to make a brief oral response. Following the meeting of the Board of Directors, the Board may, in its discretion, elect to make a recommendation to the Members to terminate the membership. The decision of the Members shall be final. The foregoing procedure for a hearing before the Board and recommendation to and decision by the Members shall not apply to termination for failure to pay dues.

Section 2.14 Transfer of Membership

Membership in this Association is nontransferable and nonassignable.

Section 2.15 Affiliates

Affiliate status is available to two types of institutions and organizations. The first consists of agencies or organizations with a substantial interest in theological education in the Christian or Jewish faiths but not involved in educational programs leading to a degree; the second consists of institutions of higher education offering graduate theological degrees related to communities of faith other than the Christian or Jewish faiths. Upon the recommendation of the Board, applicants for affiliate status are elected or rejected as ATS affiliates by a two-thirds (2/3) vote of the Members present and voting at any Biennial Meeting. Affiliate status is not a category of membership, and Affiliates are not eligible to be con-

sidered for membership in the Association. Representatives of Affiliates are eligible for election to committees or task forces of the Association and may attend and speak at Association meetings (unless the Association's legal counsel has recommended excluding them from a portion of the meeting) but have no vote. Affiliates shall pay annual dues as set by the Board from time to time. Affiliate status is granted for a renewable six-year term, with no limit to the number of consecutive terms.

Article III: Board of Directors

Section 3.1 Authority

Subject to the rights of the Members and any limitations set forth elsewhere in these Bylaws or the Articles of Incorporation of the Association, the affairs of the Association shall be under the general direction of the Board of Directors, which shall administer, manage, preserve, and protect the property of the Association.

The Board's authority shall include, without limitation: adoption of the Association's budget; proposal of amendments to these Bylaws, subject to the approval of the Members as provided in Sections 2.3 and 9.1; authorization of solicitation of grants and management of grant funds; oversight of the Association's assets; approval of the auditors employed by the Association, on the recommendation of the Audit Committee; and oversight of the employment policies of the Association. The Board is also charged with supervision of the Association's planning process and oversight of its implementation; review and evaluation of the programs of the Association; preparation of the Biennial Meetings; and appointment of task forces as necessary for the work of the Association, determining the composition, duties, and duration of each such task force.

Section 3.2 Number and Term

The Board shall include a minimum of twelve (12) and a maximum of sixteen (16) Directors (the actual number to be determined from time to time by a resolution of the membership) elected by the Members of the Association. In addition, the President, Vice President, Secretary, and Treasurer of the Association, the immediate past President of the Association, and the Commission Representative to ATS (as defined in the Commission's Bylaws as they may be amended from time to time), shall serve as ex officio voting Directors for as long as they hold such offices. No fewer than three (3) and no more than four (4) of the elected Directors on the Board at any time shall be Public Directors. The remaining elected Directors shall be Institutional Directors. Institutional Directors shall be individuals who are employed by a Member or who serve on the board of a Member at the time of their election or re-election to the Board. Public Directors are individuals who are not enrolled as a student in or employed by a Member at the time of their election or re-election.

With the exception of the initial Institutional Directors and initial Public Directors, whose terms shall be specified in the resolution appointing them, and the ex officio Directors, who shall serve for so long as they hold the respective offices pursuant to which they serve, Directors shall serve a term of four (4) years and until such Director's successor has been duly elected and qualified or until the Director's earlier death, resignation, or removal.

A Director is not eligible to serve as an elected Director for a period of one year after completing two consecutive full four-year terms.

Section 3.3 Nomination and Election

At least thirty (30) days prior to the Biennial Meeting (or special meeting held to elect Directors), the Nominating Committee shall nominate one or more persons for each Director position the term of which is due to expire in such year. At the Biennial Meeting or a special meeting held for that purpose, the Members shall elect the Directors (other than ex officio Directors) from among the persons nominated (a) by the Nominating Committee or (b) if any Member submits a petition signed by at least five (5) Members and the written consent(s) of the person(s) nominated, from the floor. Unless otherwise specified at the time of election, new Directors shall take office at the conclusion of the meeting at which they are elected.

Section 3.4 Vacancies

Vacancies in elected Directors occurring on the Board by death, resignation, refusal to serve, increase in the number of Directors, or otherwise between Biennial Meetings shall be filled by majority vote of the Board, and each Director so appointed shall serve until the next Biennial Meeting and until the Director's successor is elected and qualified or until such Director's earlier death, resignation, or removal.

Section 3.5 Compensation

No compensation shall be paid to any Director for services as a Director, but, at the discretion of the Board, a Director may be reimbursed for travel and actual expenses necessarily incurred in attending meetings and performing other duties on behalf of the Association.

Section 3.6 Meetings

The Board shall meet at least twice each year at a date and time established by the Board. The meeting following the Biennial Meeting in even-numbered years and such other time as the Board may designate from time to time by resolution in odd-numbered years shall be the annual meeting of the Board. Special meetings shall be called by the Secretary upon the order of the President or at the written request of a number of Directors constituting a quorum of the Directors then in office and entitled to vote. All meetings of the Board shall be held at the registered office of the Association unless otherwise designated in the notice.

Section 3.7 Quorum

At all meetings of the Board, the presence of a majority of the Directors in office and entitled to vote shall constitute a quorum. In addition to those Directors who are actually present at a meeting, Directors shall be deemed as present at such meeting if a telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time is used. The Directors present at a duly organized meeting shall continue to constitute a quorum until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a majority. The act of a majority of the Directors entitled to vote at a meeting at which a quorum is present shall be the act of the Board. A majority of the Directors present and entitled to vote, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the Directors who are not present at the time of adjournment.

Section 3.8 Voting

Each Director shall have one vote on each matter before the Board.

Section 3.9 Notices

Written notice of the date, time, and place of each meeting of the Board shall be given to all Directors at least thirty (30) days in advance of the date thereof. Such notice shall set forth the date, time, and place of the meeting. Whenever written notice is required to be given to a Director under this Section 3.9, it may be given to the Director personally or by sending a copy thereof by either of the following methods:

- (a) By first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex, TWX (with answerback received), or courier service, charges prepaid, or by facsimile transmission, to the Director's address (or telex, TWX, or facsimile number) appearing on the books of the Association. If the notice is sent by mail, telegraph, or courier service, it shall be deemed to have been given to the Director entitled thereto when deposited in the US mail or with a telegraph office or courier service for delivery to that Director, or in the case of telex or TWX, when dispatched. Notice pursuant to this paragraph shall be deemed to have been given to the Director entitled thereto when deposited in the US mail or with a courier service for delivery to that Director.
- (b) By facsimile transmission, email, or other electronic communication to the Director's facsimile number or address for email or other electronic communications supplied by the Director to the Association for the purpose of notice. Notice pursuant to this paragraph shall be deemed to have been given to the Director entitled thereto when sent.

Section 3.10 Waiver of Notice

Whenever any written notice whatsoever is required to be given to a Director under the provisions of applicable law, the Articles of Incorporation of this Association, or these Bylaws, a waiver of such notice in writing signed by the Director entitled to notice, whether before or after the time stated in such waiver, shall be deemed equivalent to the giving of such notice. Attendance of a Director at a meeting shall constitute a waiver of notice of the meeting unless the Director attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.11 Standard of Care and Fiduciary Duty

Each Director shall stand in a fiduciary relation to this Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interest of this Association, and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each 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:

- (a) one or more officers or employees of this Association whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and
- (c) a committee of the Board of this Association upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

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

Section 3.12 Factors That May Be Considered by Directors

In discharging the duties of their respective positions, the Board, committees of the Board, and individual Directors may, in considering the best interest of this Association, consider to the extent they deem appropriate the following:

- (a) the effects of any action upon any or all groups affected by such action, including Members, employees, suppliers, customers, and creditors of the As-

- sociation, and upon communities in which offices or other establishments of the Association are located;
- (b) the short-term and long-term interests of the Association, including the benefits that may accrue to the Association from its long-term plans and the possibility that these interests may be best served by the continued independence of the Association;
 - (c) the resources, intent, and conduct (past, stated and potential) of any person seeking to acquire control of the Association; and
 - (d) all other pertinent factors.

The Board, committees, and Directors are not required, in considering the best interest of the Association or the effects of any action, to regard any corporate interest or the interests of any particular group affected by such action as a dominant or controlling interest or factor. The consideration of interests and factors in the manner described in this section shall not constitute a violation of Section 3.11 hereof.

Section 3.13 Rules and Regulations

The Board may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the Association and may alter, amend, or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the Directors present and entitled to vote at a meeting of the Directors where a quorum is present.

Section 3.14 Removal of Directors

- (a) **By the Members.** The entire Board or any class thereof or any individual Director may be removed from office without assigning any cause by the vote of the Members entitled to cast at least a majority of the votes that all Members present would be entitled to cast at any meeting of the Members. New Directors shall be elected at the same meeting. Unless the entire Board or class is removed, no individual Director shall be removed if the votes cast against the individual Director’s removal, if cumulated, would be sufficient to elect one Director.
- (b) **By the Board.** The Board, by a majority vote of all of the Directors, may declare vacant the office of any Director who is declared of unsound mind by an order of the court or is convicted of a felony or other cause. “Other cause” shall mean any action or inaction that, in the sole discretion of the Board, materially and adversely affects or may affect the Association.
- (c) **Institutional Directors; Loss of Affiliation with Associate Member or Member.** No Director shall be removed from his or her position as an Institutional Director solely because he or she ceases to be employed by (or serve on the board of) the Member that employed the Director (or on which board he

or she served) at the time of his or her election to the Board, and it is presumed that such a Director shall continue to serve on the Board for the remainder of his or her term. However, if any conflict of interest (as that term is defined in Section 3.16, below) arises due to any new position held by the Director, such conflict of interest may be considered to constitute “other cause” supporting the removal of the Director by the Board as provided in subsection (b) of this Section 3.14.

Section 3.15 Consents

Any action that may be taken at a meeting of the Board may be taken without a meeting, if a consent or consents in writing setting forth the action so taken is signed by all of the Directors in office and entitled to vote and is filed with the Secretary of the Association.

Section 3.16 Conflict of Interest

An actual or potential conflict of interest exists when any of the following exists:

- (a) An officer or Director has an ownership or investment interest in or compensation relationship with an organization with which the Association does or proposes to do business or an organization that competes with the Association; or
- (b) An officer or Director receives remuneration for performing services for the Association, and the Association is determining his or her remuneration; or
- (c) An officer or Director serves as an officer or director or key employee of an organization that competes with or does business with the Corporation.

A conflict also exists when a similar circumstance exists with respect to a family member of a Director or company thirty-five percent (35%) owned by a Director and his or her family members. Annually, each Director and officer shall complete a disclosure statement reflecting his or her interests.

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

The Board may approve a transaction that is the subject of a conflict of interest only if it has determined (i) that the transaction or arrangement is in the Association’s best interest and for its own benefit, (ii) that it is fair and reasonable to the Association, and (iii) that after exercising due diligence, the Association would not obtain a

more advantageous transaction with reasonable efforts under the circumstances. Where appropriate the board shall obtain comparable information to assist it in reaching such conclusions.

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

Article IV: Officers

Section 4.1 Officers; Enumeration

The officers of the Association shall consist of a President, Vice President, Secretary, Treasurer, and such other officers and assistant officers as the Board may, from time to time, designate.

Section 4.2 Term of Office

Each officer shall serve for a term of two (2) years and until the officer's successor is duly elected and takes office.

Section 4.3 Nomination and Election

At least thirty (30) days prior to the Biennial Meeting or any special meeting held to elect officers, the Nominating Committee shall nominate one or more persons for consideration for each office. At the Biennial Meeting or a special meeting called for that purpose, the Members shall elect the officers from among the persons nominated (a) by the Nominating Committee or (b) if any Member submits a petition signed by at least five (5) Members and the written consent(s) of the person(s) nominated, from the floor. Unless otherwise specified at the time of election, new officers shall take office at the conclusion of the meeting at which they are elected.

Section 4.4 Vacancies

The President may fill vacancies in any office for the period ending upon the date of the next meeting of the Board at which a quorum is present, when the Board shall fill such vacancy for the period ending at the next Biennial Meeting.

Section 4.5 President

The President shall be responsible for overseeing the affairs of the Association, shall preside at all meetings of the Members and the Board, and shall consult with the Executive Director concerning the work of the Association.

Section 4.6 Vice President

The Vice President shall be responsible for the duties of the President in the President's absence.

Section 4.7 Secretary

The Secretary shall make or cause to be made minutes of all meetings of the Board and the Members. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board and the Membership, shall affix the corporate seal at the direction of the President, and, generally, will perform all duties incident to the office of secretary of a corporation and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or that may be assigned from time to time by the Board.

Section 4.8 Treasurer

The Treasurer shall supervise the financial activities of the Association. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) a system is in place such that all monies and other valuable effects are deposited in the name and to the credit of the Association in such depositories as shall be designated by the Board, (c) the Directors, at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Association, and (d) an annual audit of the Association's books and records is performed by an auditor selected by the Board. In performing these functions, the Treasurer may rely on employees of the Association or any affiliated corporation who possess special financial training and skills and whose employment responsibilities include management of the Association's financial affairs. In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall perform all the duties of the Treasurer and when so acting, shall have all of the powers of and be subject to all of the restrictions upon the Treasurer.

Section 4.9 Other Officers

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

Section 4.10 Bonds

The Board may, in its discretion, require the Treasurer and any other officer to give bond in such amount and with such surety or sureties as may be satisfactory to the Board for the faithful discharge of the duties of the office and for the restoration to the Association, in case of the officer's death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind belonging to the Association in the officer's possession or under the officer's control.

Section 4.11 Removal of Officers

Any officer elected or appointed to office may be removed by the persons authorized under these Bylaws

or the Association's Articles of Incorporation to elect or appoint such officers whenever in their judgment the best interest of the Association will be served.

Section 4.12 Executive Director

The Board shall elect in the manner described in this Section 4.12 an Executive Director to manage the operations of the Association. An ad hoc Search Committee appointed by the President and comprising an equal number of representatives from the Board of the Association and the Board of Commissioners of the Commission shall recommend to the Board of the Association the candidate for the position of Executive Director. The Board shall accept or reject the candidate recommended by the Search Committee.

The Board may terminate the appointment of the Executive Director, following an evaluative report by the Personnel Committee, with the approval of at least two-thirds (2/3) of the Directors then in office and entitled to vote.

The Executive Director is an ex officio member of all Association committees and task forces, with voice but not vote, provided that the Executive Director shall not serve on any committee or task force when it is determining his or her compensation or evaluating his or her performance.

Article V: Committees

Section 5.1 Committees

The Association shall have the following standing committees: Officers Committee, Nominating Committee, Personnel Committee, Finance Committee, and Audit Committee. There shall be such other standing and ad hoc committees as the Board may deem advisable in the administration and conduct of the affairs of the Association. Such committees shall meet as necessary to accomplish their goals. The Board is authorized in its discretion to approve reimbursement for travel and other actual expenses necessarily incurred by members of committees in attending committee meetings and in performing other official duties as such.

Except as otherwise provided in these Bylaws or in the resolution creating the applicable committee, the Members shall elect committee members from among the persons nominated (i) by the Nominating Committee or (ii) if any Member presents a petition signed by at least five (5) Members and the written consent of the person(s) nominated, from the floor. The President shall appoint all committee chairpersons, except as otherwise provided in these Bylaws or in the resolution creating the applicable committee.

Upon expiration of their initial terms, committee chairpersons and members may be re-elected to a committee for one additional term only. With the exception of

the Officers Committee, persons who are not Directors are eligible to serve as committee members. Any person authorized to appoint the chairperson and/or members of any committee by these Bylaws or the resolution creating the applicable committee may appoint himself or herself as chairperson and/or committee member. The chairperson of each committee shall determine the date and place of all committee meetings. Each committee may adopt its own rules of procedure not inconsistent with these Bylaws.

Section 5.2 Limitation on Power of Committees

No committee shall have any power or authority as to the following:

- (a) the submission to the Members of any action requiring approval of the Members;
- (b) the creation or filling of vacancies in the Board;
- (c) the adoption, amendment, or repeal of the Bylaws;
- (d) the amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the board; or
- (e) action on matters committed by the Bylaws or a resolution of the Board exclusively to another Committee of the Board.

Section 5.3 Officers Committee

The Officers Committee shall consist of the following officers of the Association: President, Vice President, Secretary, and Treasurer. The President shall serve as the chairperson of the Officers Committee. The Officers Committee may act for the Board between meetings. The Officers Committee shall meet at such times as the President may call or on petition of three (3) Officers Committee members. At least twenty-four (24) hours' oral or written notice shall be given for such meetings. A quorum for conducting business at a meeting of the Officers Committee shall be no fewer than three (3) voting members. The President shall present a full report of all decisions of the Officers Committee to the Board at the next regularly scheduled meeting of the Board.

Section 5.4 Nominating Committee

The Nominating Committee shall consist of five (5) persons appointed by the President, provided, however, that two (2) members of the Nominating Committee shall be Directors of the Association, two (2) shall represent Members of the Association that do not have representation on the Board, and one (1) shall be a person who served on the previous Nominating Committee. The Nominating Committee shall nominate the Directors, officers, and committee members not otherwise appointed under the terms of these Bylaws or in the resolution creating the applicable committee, as provided in Sections 3.3, 4.3, and 5.1 hereof, respectively.

Section 5.5 Personnel Committee

The Personnel Committee shall consist of the President, Vice President, Secretary, Treasurer, immediate past

President of the Association, the Commission Representative to ATS, and the immediate past Chair of the Commission on Accrediting. The Personnel Committee shall oversee the implementation of personnel policies of the Association, consult with the Executive Director regarding personnel issues, recommend compensation ranges, recommend changes to personnel policies to the Board, and evaluate and review the performance of the Executive Director.

Section 5.6 Finance Committee

The Finance Committee shall consist of the President and the Treasurer of the Association, the Vice Chair of the Commission, and such additional persons with expertise in financial matters as may be appointed by the Board. The Finance Committee shall oversee and provide advice to the Association on financial matters. The Finance Committee shall regularly review and recommend to the Board policies to protect and enhance the assets of the Association.

Section 5.7 Audit Committee

The Audit Committee shall consist of three to five persons elected by the Members. Audit Committee members shall be persons knowledgeable about financial matters, a majority of whom shall be independent. The Audit Committee shall make recommendations to the Board regarding the selection of the Association's auditors, shall oversee the auditor's activities, shall set rules and processes for addressing complaints concerning accounting and internal control problems, and shall assume such other responsibilities as may be appropriate for an Audit Committee.

Article VI: Limitation of Personal Liability of Directors

Section 6.1 Limitation of Directors' Personal Liability

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

Section 6.2 Preservation of Rights

Any repeal or modification of this Article by the Association shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of

the Association and shall inure to the benefit of the heirs, executors, and administrators of such person.

Article VII: Indemnification

Section 7.1 Mandatory Indemnification of Directors and Officers

The Association shall indemnify, to the fullest extent now or hereafter permitted by law (including but not limited to the indemnification provided by Chapter 57, Subchapter D of the NPCL), each Director and/or officer (including each former Director or officer) of the Association who was or is or is threatened to be made a party to or a witness in any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that the Director or officer is or was an authorized representative of the Association or is or was serving at the request of the Association as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Director or officer in connection with such action, suit, or proceeding if such Director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interest of the corporation and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 7.2 Mandatory Advancement of Expenses to Directors and Officers

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

Section 7.3 Permissive Indemnification and Advancement of Expenses

The Association may, as determined by the Board from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person

who was or is or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was an authorized representative of the Association or is or was serving at the request of the Association as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, both as to action in his or her official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit, or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Association may, as determined by the Board from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit, or proceeding referred to in this Section 7.3 in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Association as provided in Section 7.4 hereof.

Section 7.4 Scope of Indemnification

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

Section 7.5 Miscellaneous

Each Director and officer of the Association shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members, disinterested Directors, statute, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Association and shall inure to the benefit of the heirs, executors, and administrators of such person. Any repeal or modification of this Article by the members or the Board of the Association shall not adversely affect any right or protection existing at the time of such appeal or

modification to which any person may be entitled under this Article.

Section 7.6 Definition of Authorized Representative

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

Section 7.7 Procedure for Effecting Indemnification

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

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

Article VIII: Restrictions Regarding the Operations of the Association; Administration of Funds

Section 8.1 No Private or Political Beneficiaries

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

Section 8.2 No Violation of Purposes

In no event and under no circumstances shall the Board make any distribution or expenditure, engage in any activity, hold any assets, or enter into any transaction whatsoever the effect of which under applicable federal laws then in force will cause the Association to lose its status as an organization to which contributions are de-

ductible in computing the taxable income of the contributor for purposes of federal income taxation.

Section 8.3 Tax Records

The Association shall maintain at its principal office a copy of its application for exemption and all tax returns filed with the Internal Revenue Service. To the extent required by law, such documents shall be made available during regular business hours for inspection by any person requesting to see them.

Section 8.4 Annual Report

The Treasurer shall submit annually to the Board a statement containing those details required to be included under the provisions of the NPCL, as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws.

Section 8.5 Books and Records

This Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Members, the Board, and committees exercising the authority of the Board. The Association shall keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the Association, and a membership register, giving the names and addresses of all Members and the class and other details of membership. Every Member shall, upon verified written demand stating the purpose thereof, have a right to examine, in person, or by agent or attorney during the usual hours for business for any proper purpose, the membership register, books and records of account, and records of the proceedings of the Members and the Board, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Member. Where an attorney or other agent is the person who seeks the right of inspection, the demand under oath shall be accompanied by a verified power of attorney or another writing authorizing the attorney or other agent to act on behalf of the Member.

Section 8.6 Definition of Code

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

Article IX: Bylaw Amendments

Section 9.1 Authority

The alteration, amendment, and/or repeal of these Bylaws may, from time to time, be proposed by the Board and approved by the Members, as set forth in Section 2.3.

Section 9.2 Notice

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

Article X: Dissolution

Section 10.1 Distribution of Assets upon Dissolution

In the event of the dissolution of the Association or in the winding up of its affairs or other liquidation of its assets, the Association's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property. All assets remaining after all debts and expenses of the corporation have been paid or provided for shall be conveyed or distributed by the Board, in descending order of priority (i) to the Commission if it is then recognized as an organization described in Section 501(c)(3) of the Code; or (ii) equally among the Members that then qualify for the exemption afforded by Section 501(c)(3) of the Code, or in the case of Members that are Canadian entities, are equivalent to 501(c)(3) organizations; or (iii) to one or more organizations qualifying for the exemption afforded by Section 501(c)(3) of the Code. Any such assets not so distributed shall be disposed of pursuant to an order by a court of competent jurisdiction, exclusively for such purposes or to such organization or organizations, as said court shall determine.

Article XI: Reserved Powers

Section 11.1 Reserved Powers

Pursuant to the Bylaws of the Commission on Accrediting of the Association of Theological Schools, the Association has the following powers with respect to the Commission:

- (a) To approve all amendments to the Bylaws or the Articles of Incorporation of the Commission;
- (b) To approve all fundamental changes with respect to the Commission, as that term is defined in the NPCL.