

**THE MIDDLE STATES COMMISSION ON HIGHER EDUCATION
(A Pennsylvania Nonprofit Corporation)**

**BYLAWS
Adopted and Effective as of
November 17, 2016**

**ARTICLE I
NAME, OFFICE AND PURPOSE**

Section 1.01. Name and Office.

(a) The name of the corporation is Mid-Atlantic Region Commission on Higher Education, Inc. (hereinafter referred to as the "Corporation"). The Corporation shall be known as The Middle States Commission on Higher Education for as long as it remains a member of the Middle States Association.

(b) The Corporation is a resulting corporation of the division of the Middle States Association (the "Association") under a Plan of Division under Subchapter D of Chapter 59 of the Pennsylvania Nonprofit Corporation Law, 15 Pa. C.S.A. § § 5951 *et seq.*, effective as of January 1, 2013. Prior to January 1, 2013, the Middle States Commission on Higher Education was an unincorporated division of the Association with independent and autonomous control over its financial and accreditation activities pursuant to certain delegations in the Association bylaws. The Corporation is the successor to the Association's Commission on Higher Education and continues that mission as a separate and independent corporation. The Corporation shall hold the assets and liabilities allocated to it as a successor to the dividing Middle States Association as set forth in the Plan of Division. The term "MSCHE" when used in these Bylaws refers to the business and operations of the Middle States Commission on Higher Education both prior to and after the corporate division.

(c) The principal office of the Corporation shall be located at 3624 Market Street, Philadelphia, Pennsylvania 19104-2680. The Corporation may have such other offices within or without the Commonwealth of Pennsylvania, as the Commission may designate from time to time.

Section 1.02. Purposes.

The Corporation is organized to promote charitable and educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and is incorporated under the Pennsylvania Nonprofit Corporation Law (the "Act") for any lawful purpose for which a nonprofit corporation may operate under the laws of the Commonwealth of Pennsylvania including, in particular, the following:

(i) To provide educational, accrediting, quality assurance and other services to its member institutions, degree granting post-secondary educational institutions offering higher education and located inside or outside the United States, including, but not limited to, the States of Delaware, Maryland, New Jersey and New York, the Commonwealths of Puerto Rico and Pennsylvania, the District of Columbia and the U.S. Virgin Islands;

(ii) To serve as an accrediting agency recognized by the United States Department of Education and the Departments of Education of each state in its geographical region to conduct voluntary, non- non-governmental peer review and make decisions concerning the accreditation or pre-accreditation status of member institutions, programs, or both;

(iii) To promote quality assurance and improvement through voluntary accreditation via peer evaluation and instill public confidence in its institutional members' missions, goals, performance, and resources through its rigorous accreditation standards and their enforcement, and

(iv) To initiate and sustain such training and research activities as may be consistent with the general purposes of MSCHE.

ARTICLE II GOVERNANCE

Section 2.01. Non-member Nonprofit Corporation.

(a) As stated in its Articles of Incorporation, the Corporation is a non-stock, non-member nonprofit corporation. Except as otherwise provided in these Bylaws, the board of directors of the Corporation (the "Commission") shall have full power to conduct, manage and direct its business and affairs, and all powers are hereby granted to and vested in the Commission in accordance with Article IV of these Bylaws.

(b) The voting members of the Commission shall constitute the corporate members of the Corporation for all purposes under the Pennsylvania Nonprofit Corporation Law.

ARTICLE III INSTITUTIONAL MEMBERS

Section 3.01. Qualifications.

(a) All institutions that are accredited or have been granted candidacy status by MSCHE and that are in good standing with respect to payment of dues and other obligations of such institutions shall be institutional members of MSCHE. Accreditation and candidacy shall be established according to the standards, policies, and processes of the MSCHE.

(b) The Commission shall establish and maintain all regulations and conditions governing institutional membership in MSCHE; however, in according membership therein, or the privileges thereof, the Commission shall not discriminate against an institution or organization on the basis of race, color, sexual orientation, marital status, religion, sex, national origin, age, or disability of any person associated with the institution or organization being considered for such membership.

(c) In no event shall institutional members be deemed to be members of the Corporation for any purpose under Chapter 57, Subchapter E of the Act or any other provision of the law. Institutional Members shall have the rights and privileges as described in Section 3.03 of these Bylaws.

Section 3.02. Termination of Membership.

Institutional membership shall automatically terminate whenever such institution withdraws voluntarily, is removed from the accredited list by the MSCHE in accordance with its standards and procedures (member status shall continue until the member's appeal, if any is filed, is exhausted), fails to pay the annual membership dues for two (2) successive years, or is no longer in good standing, unless waived by the MSCHE upon a showing of good cause.

Section 3.03. Institutional Members Powers.

(a) Institutional members are encouraged to submit nominations to the Committee on Membership for the positions of Commissioners, peer review evaluators and committee and task force members and shall elect the Commissioners. The nomination and election processes are set forth in Section 4.02(c) hereof.

(b) Institutional members are entitled to vote on all policies that affect the substance of MSCHE accreditation standards and requirements and major substantive policy statements (not including statements of good practices or principles), except those mandated under Federal law or regulation, the Commission or the Executive Committee acting on behalf of the Commission.

Section 3.04. Meetings; Quorum and Voting.

(a) The Corporation shall hold an annual conference for institutional members for educational and other accreditation-related activities. The Commission shall report annually at such conference on the state of the Corporation and the results of the Commissioners' election and shall conduct such other business as the Commission may decide is necessary and advisable.

(b) Any action required by institutional members may be taken by written ballot. Any action submitted to the institutional membership shall be approved if it receives an affirmative vote of a majority of the ballots returned within 21 days of mailing or transmittal, provided that at least 20% of the institutional members in good standing vote.

(c) Institutional members ordinarily vote by written ballot. Notwithstanding, the Commission or its Executive Committee, at their sole discretion, may submit an action for a vote at the annual conference or call a meeting of institutional members upon ten (10) days notice from the date of mailing or transmittal at such dates, times, and places as the Executive Committee shall determine. Notice shall include reference to matters to be considered at such meeting. Action may be taken by a majority of Institutional Members present, provided that at least 20% of the institutional members in good standing attend the meeting.

Section 3.05. Institutional Members' Dues, Fees and Charges.

Annual dues, fees for MSCHE services, and other charges shall be established by the Commission or its Executive Committee, or by delegation to MSCHE staff.

ARTICLE IV THE COMMISSION

Section 4.01. General Powers and Responsibilities of the Commission.

Except as provided otherwise in these Bylaws, the business and affairs of the Corporation shall be managed under the direction of the Commission, which shall establish policies for the fulfillment of the purposes of the Corporation stated in Article I.

Section 4.02. Number, Qualifications and Term of Office.

(a) The Commission shall consist of at least twenty-six (26) voting members, elected as set forth in Sections 3.03(a) and 4.02(c). Where required by applicable law or regulations, at least one-seventh of the members shall be elected who do not currently hold professional positions in education and who are broadly representative of the public interest (“Public Commissioners”). The remaining members shall be currently active professional and administrative staff of member institutions or be employed by a higher education organization that represents the interests of member institutions. Individuals shall be elected with consideration to geographical and institutional distribution reflective of the institutional members and other levels of educational institutions.

(b) In addition to the elected voting members, the President of the MSCHE shall be an *ex officio*, non-voting member of the Commission.

(c) The Commissioners shall be nominated and elected by the institutional members in accordance with the Commission policy on the Nomination and Election Process. Each voting member of the Commission shall be elected to serve a term of three (3) years, commencing on the January 1 immediately following such Commissioner’s election to the Commission, and may hold such office until the expiration of the term for which such Commissioner was elected or until such Commissioner’s earlier death, resignation or removal. The Commissioners shall be elected in classes so that the terms of approximately one-third of the Commissioners expire each year. The initial Commission of the Corporation shall be composed of the Commissioners then serving the MSCHE as Commissioners, who shall each continue to serve for the remaining years of his or her term as a Commissioner of the Corporation, and a newly elected class of Commissioners elected or re-elected to serve a full three year term. No Commissioner may serve the Corporation more than two consecutive elected terms.

(d) Each Commissioner, in accepting his or her appointment to the Commission, shall have the duty to perform such duties in the best interests of MSCHE rather than in the particular interests of such member’s institutional or regional interests.

Section 4.03. Resignations and Vacancies.

(a) Any Commissioner may resign at any time effective upon giving written notice to the Chair and Secretary, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be designated before such time to take office when the resignation becomes effective. Resignation as a Commissioner shall also constitute resignation as a member of all committees of the

Commission, unless the Commission invites the Commissioner to continue service on an advisory committee, ad hoc committee or task force.

(b) All vacancies in the Commission, including those existing as the result of the removal of a Commissioner, shall be filled by the Executive Committee. A Commissioner appointed by the Executive Committee to fill a vacancy shall commence service immediately and shall serve the balance of the term of the Commissioner he or she has replaced.

(c) A vacancy or vacancies shall be deemed to exist in the case of the death or resignation of any Commissioner.

Section 4.04. Removal.

Any elected Commissioner may be removed from office by the voting members of the Commission or upon recommendation of the Executive Committee without assignment of cause except in the case of a Commissioner who also is an officer of MSCHE, who may be removed only in accordance with Section 6.08. A vote to remove a Commissioner from the Commission shall be by majority of the Commissioners present and eligible to vote. The Commissioner whose removal is being considered may not participate in the vote concerning his or her removal. In the event that any Commissioner shall be so removed, a new Commissioner shall be appointed by the Executive Committee to replace such Commissioner in accordance with the provisions of Section 4.03(b). Removal as a Commissioner shall also constitute removal as a member of all committees of the Commission.

Section 4.05. Meetings.

(a) There shall be at least three (3) regular meetings of the Commission each calendar year, one of which shall be designated as the annual meeting as set forth in Section 4.06. Special meetings may be called by the Chair, the Executive Committee or at the request of any ten Commissioners. The Executive Committee shall determine the dates, times and places of all regular and special meetings.

(b) Notice shall be sent by e-mail, first class mail, fax, telephone or by other reasonable means to each member of the Commission not less than forty-eight (48) hours before any regular or special meeting.

(c) Non-attendance at Commission and Committee meetings may seriously jeopardize the integrity of the MSCHE's work. Commissioners are expected to serve at least 12 days a year, including a minimum of three official meetings that includes the Commission and Committee meetings. A Commissioner is deemed to have resigned after missing three consecutive Commission meetings and is to resign if unable to serve as needed.

Section 4.06. Annual Meeting.

(a) The first regular meeting of the calendar year shall be the annual meeting of the Corporation.

(b) The President and Treasurer shall present the Commission at its annual meeting a report, verified by the President and Treasurer, showing in appropriate detail the following:

- (i) The assets and liabilities, including any restricted or endowed funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.
- (ii) The principal changes in assets and liabilities, including any restricted or endowed funds, during the year immediately preceding the date of the report.
- (iii) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.
- (iv) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(c) The annual report of the Commission shall be filed with the minutes of the annual meetings of the Commission.

Section 4.07. Quorum and Manner of Acting.

At all meetings of the Commission, the presence of a majority of the voting members of the Commission shall be necessary to constitute a quorum and to transact business. Any act of a majority present at a meeting at which there is a quorum shall be the act of the Commission, except as may be otherwise required by law, the Articles of Incorporation, or these Bylaws. If a quorum shall not be present at any meeting of the Commissioners, the Commissioners present may adjourn the meeting from time to time until a quorum is present. Voting by proxy shall not be permitted.

Section 4.08. Telephone Meetings Permitted.

Members of the Commission, or any Committee designated by the Commission, may participate in a meeting thereof by means of conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this Section 4.09 shall constitute the presence of a person at such meeting.

Section 4.09. Organization.

At every meeting of the Commission, the Chair or, in the case of the Chair's absence, the Vice Chair or, in the case of the Vice Chair's absence, a Commissioner designated by the Commissioners, shall preside as chairperson. The chairperson may appoint any person to act as secretary of the meeting.

Section 4.10. Action by Written Consent.

Any action required or permitted to be taken at any meeting of the Commission or of any Committee thereof may be taken without a meeting if all voting members of the Commission or Committee, as the case may be, consent thereto in writing and the written consents or writings are filed with the minutes of proceedings of the Commission or any Committee.

Section 4.11. Waiver of Notice.

Notice of a meeting need not be given to any Commissioner who signs a waiver of notice or a written consent to the holding of a meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Commissioner. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.12. Standard of Care; Justifiable Reliance of Commissioners.

(a) A Commissioner shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Commissioner, including duties as a member of any committee of the Commission upon which the Commissioner may serve, in good faith, in a manner the Commissioner reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Commissioner shall be entitled to rely in good faith on information, opinions, reports or statements, including, without limitation, financial statements and other financial data, in each case prepared or presented by any of the following:

1. One or more officers, employees and consultants of the Corporation whom the Commissioner reasonably believes to be reliable and competent in the matters presented;
2. Counsel, public accountants or other persons as to matters which the Commissioner reasonably believes to be within the professional or expert competence of such person; or
3. A committee of the Corporation upon which the Commissioner does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Commissioner reasonably believes to merit confidence.

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

(c) Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by the Commission, committees of the Commission, or by individual Directors, or any failure to take any action, shall be presumed to be in the best interests of the Corporation.

ARTICLE V
COMMITTEES

Section 5.01. Standing Committees of the Commission.

(a) The Corporation shall have the following standing committees:

(i) Executive Committee

(ii) Finance Committee

(b) Except as otherwise provided herein or by resolution of the Commission, the Executive Committee shall designate or endorse the chairperson and members of each committee other than the Executive Committee. A non-Commissioner member may be appointed to a standing committee. Any non-Commissioner appointed to the Executive Committee shall serve as a non-voting member of the Committee. Any non-Commissioner appointed to the Finance Committee shall have the same rights and responsibilities as Commissioner members of the Committee.

Section 5.02. Executive Committee.

(a) The Executive Committee shall consist of at least six (6) Commissioners elected by the Commission annually, including the two or more officers of the Commission, the Chair and the Vice Chair(s). As a decision-making body, it shall include administrative, faculty and public representation. The Chair shall be the chairperson of the Executive Committee.

(b) The Executive Committee shall have the authority and responsibility to establish goals and priorities for the Corporation; participate in the Corporation's planning process; serve as the compensation committee for the Corporation; hire, evaluate and, if necessary, terminate the President; act on personnel, budget and other administrative and operational matters other than those in the normal course of business; act as a review committee on policy developments; establish committees of the Commission; fill interim Commissioner vacancies on the Commission and Board of Trustees, and perform such other duties and responsibilities as the Commission may delegate to it. The Executive Committee shall have *ad interim* authority to act on behalf of the Commission as necessary between meetings to continue the operation of the Corporation and to take such actions on accreditation and institutional membership as may be necessary.

(c) The Executive Committee shall meet at least six times annually, either in person or electronically. It may act by a majority of those attending the meeting provided that at least one officer attends and a quorum exists.

Section 5.03. Finance Committee.

The Finance Committee shall be comprised of the Treasurer and such Commissioners as are appointed by the Executive Committee pursuant to Section 5.02(b) hereof. The Finance Committee shall advise the Treasurer with respect to financial, budgetary and related matters. The Finance Committee shall select, engage and meet with the Corporation's certified public auditors. The Finance Committee shall be responsible for the approval of the audit plan and the

audit of the financial statements and shall report on all its actions to the Commission at its next regularly scheduled corporate meeting.

Section 5.04. Other Committees.

(a) From time to time the Commission may establish one or more additional standing committees of the Commission, and such other advisory and ad hoc committees and task forces (which may include both Commissioners and individuals who are not members of the Commission).

(b) The Corporation shall have the following standing advisory committees:

- (i) Committee on Evaluation Reports
- (ii) Committee on Periodic Review Reports
- (iii) Committee on Follow-up Activities and Candidate Institutions
- (iv) Committee on Substantive Change
- (v) Committee on Membership

(c) Advisory and ad hoc committees shall make recommendations, by consensus where possible, to the Commission or Executive Committee.

(d) Each committee shall keep regular minutes of its proceedings and report such proceedings periodically to the Commission.

Section 5.05. Committee on Membership.

The Committee on Membership is a standing advisory committee, appointed annually, whose charges include the solicitation of candidates for Commissioner positions, the development of a slate of nominees for Commissioners for the Commission's endorsement and submission to the Institution Members for election; the nomination of candidates to serve as the Corporation's representatives on the Association's Board of Trustees for election by the Commission; the nomination of individuals to fill interim vacancies on the Commission or the Association's Board of Trustees in accordance with the nominations and elections policy; the recommendation of Commissioners for election or re-election as corporate officers or Executive Committee members, and maintaining and revising, as appropriate, the Corporation's membership policies and procedures.

Section 5.06. Reimbursement.

Commissioners and committee members shall serve without compensation, with the exception that expenses incurred in the furtherance of MSCHE's business are allowed to be reimbursed with documentation and approval, as provided in relevant MSCHE policies.

ARTICLE VI OFFICERS AND SENIOR STAFF

Section 6.01. Number and Designations of Corporation's Officers.

The officers of the Corporation shall be a Chair, one or more Vice Chairs, a Treasurer, a Secretary and such other officers as the Commission may designate. The Commission shall elect the Chair, Vice Chair(s) and Treasurer. The Executive Committee shall elect or appoint the Secretary.

Section 6.02. Qualification and Appointment.

In order to be eligible to serve as an officer, a Commissioner must be completing at least the first full year of service on the Commission. Officers are elected for one-year terms. Vacancies are filled by the Executive Committee as soon thereafter as convenient. New offices may be created and filled at any meeting of the Commission.

Section 6.03. Chair.

The Chair shall preside at meetings of the Commission. The Chair shall perform all duties attendant to that office, subject to the control of the Commission, and shall perform such other duties as on occasion shall be assigned by the Commission, such as carrying out MSCHE policies and actions, overseeing the day-to-day operations of the President, serving on the Association's Board of Trustees, attending committee meetings if requested, and chairing the Executive Committee.

Section 6.04. Vice Chair.

The Vice Chair(s) may exercise all authority of the Chair in the absence or unavailability of the Chair, or by delegation by the Chair. The Vice Chair shall serve on the Executive Committee and perform other duties as requested and assigned by the Chair, subject to the control of the Commission.

Section 6.05. Treasurer and Secretary.

(a) The Treasurer shall be responsible for the overall financial affairs of the Corporation, in accordance with policies and procedures established by the Commission or the Executive Committee.

(b) The Secretary shall be responsible for assuring that minutes of all meetings of the Commission and the Executive Committee are recorded and that all votes of the Commissioners or the Institutional Members are recorded. The Secretary shall keep and maintain the books and records of the Corporation in accordance with applicable laws and these Bylaws and maintain custody of the seal of the Corporation and affix the same as and when authorized by the Commission and these Bylaws. The Secretary shall perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned by the Commission or Executive Committee.

Section 6.06. President.

The President shall be the chief executive officer of the Corporation and shall have general supervision over the activities and operations of the Corporation, subject to the control of the Commission. The President shall be responsible for the appointment of professional staff officers, the hiring and termination of employees, including support personnel, and independent contractors, and determine all personnel matters relating thereto, including, without limitation, dismissal, promotion, payments of all kind (within the limitations of the Commission's annual budget), termination and job descriptions. The President shall execute and acknowledge, in the name of the Corporation, contracts or other instruments authorized by the Commission, except if the execution thereof has been expressly delegated by the Commission or these Bylaws to some other officer or agent of the Corporation; and perform such other duties incident as are to the office of President.

Section 6.07. Subordinate Officers and Agents.

The Executive Committee, upon recommendation by the President, may from time to time appoint such other staff officers or other agents as the business of the Corporation may require, including one or more Assistant Secretaries, and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws, or as the Commission or Executive Committee may from time to time determine.

Section 6.08. Resignation and Removal.

Any officer may resign at any time upon written notice to the Chair and the Secretary. The Commission may remove any officer with cause at any time. For purposes of this Section 6.08, "cause" shall mean: (a) the willful and continued failure or refusal by such officer to perform his or her duties and responsibilities; (b) the willful misconduct by such officer which is demonstrably and materially injurious to the Corporation, monetarily or otherwise, or which results or is intended to result in personal gain or enrichment at the expense of the Corporation; (c) such officer's conviction of or plea of no contest to a felony or crime involving moral turpitude; or (d) such other circumstances specified in any agreement between such officer and the Corporation.

Section 6.09. Vacancy.

(a) A vacancy occurring in the office of Chair by death, resignation, removal or otherwise, shall be filled by the current Vice Chair.

(b) A vacancy occurring in any other office by death, resignation, removal or otherwise, may be filled by the Executive Committee for the unexpired portion of the term, at which time the Commissioner may elect such individual to a regular term of office.

ARTICLE VII
MIDDLE STATES ASSOCIATION

Section 7.01. Middle States Association.

(a) The Corporation is committed to the mission of the Association and shall continue to support its business and operations as set forth in the Plan of Division.

(b) The Commission shall appoint Commissioners or other representatives from institutional members to serve as its Association trustees. The Corporation's President shall serve as an *ex officio* non-voting trustee.

(c) The Corporation's Association trustees shall be elected to serve for a three year term.

(d) The Corporation shall pay its proportionate share of the reasonable costs and expenses of administration the Association pursuant to the budgets and methodology approved in accordance with the Association's Bylaws and as agreed in any Shared Services Agreement between the Corporation and the Association.

(e) To the extent required in the Association's Bylaws, the Corporation's right to withdraw from the Association is subject to the consent of three-quarters (3/4) of the Association's Board of Trustees.

ARTICLE VIII CONFLICTS
OF INTEREST

Section 8.01. Conflict of Interest Policies.

(a) The Commission, its various committee members and peer evaluators and its institutional members shall avoid any conflict or appearance of conflict between personal interests and the interests of the Corporation. The Corporation has adopted a Conflict of Interest Policy for Peer Evaluators and Commissioners and a Conflict of Interest Policy for the Corporation Commissioners serving on the Association board.

(b) Any Commissioner who is uncertain whether he or she has a possible conflict of interest in any matter may request that the Commission or the Executive Committee determine whether such possible conflict exists, whereupon the Commission or Executive Committee shall resolve the question by a majority vote.

(c) All candidates for membership on the Commission shall be advised of these policies prior to assuming their responsibilities as Commissioners. Upon nomination, and each year of service thereafter, each Commissioner shall execute and file with the Secretary an annual conflict of interest disclosure form.

ARTICLE IX
LIMITATION OF LIABILITY; INSURANCE AND INDEMNIFICATION

Section 9.01. Limitation of Liability of Commissioners.

A Commissioner shall not be personally liable, as such, for monetary damages for any action taken or any failure to take any action as a Commissioner unless:

- (i) The Commissioner has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of the Act; and
- (ii) The breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

This Section shall not apply to (1) the responsibility or liability of a Commissioner pursuant to any criminal statute, or (2) the liability of a Commissioner for the payment of taxes pursuant to federal, state, or local law. Any repeal or amendment of this Section shall be prospective only and shall not increase, but may decrease, a Commissioner's liability with respect to actions or failures to act occurring prior to such change.

Section 9.02. Insurance.

The Corporation shall purchase and/or maintain insurance on behalf of any person who is or was a MSCHE Commissioner or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the Act. The Corporation's payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Corporation. To the extent that such insurance coverage provides a benefit to the insured person, the Corporation's payment of premiums with respect to such insurance shall be provided in exchange for the services rendered by the insured person and in a manner so as not to constitute an excess benefit transaction under section 4958 of the Internal Revenue Code of 1986, as amended.

Section 9.03. Indemnification.

The Corporation shall indemnify, to the full extent that it shall have power under applicable law to do so and in a manner permitted by such law, any person made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter, a "Proceeding"), by reason of the fact that such person is or was a MSCHE Commissioner, Officer, committee member, peer evaluator, employee or agent or a MSCHE-appointed trustee of the Association. The Corporation shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Corporation.

Section 9.04. Advancement of Expenses.

(a) With respect to any person made or threatened to be made a part of any Proceeding, by reason of the fact that such person is or was a MSCHE Commissioner, Officer, committee member, peer evaluator, employee or agent or a MSCHE-appointed trustee of the Association, the Corporation shall, in its discretion and upon such terms and conditions as the Corporation deems appropriate, pay the reasonable expenses (including attorneys fees) incurred by such person in defending any such Proceeding in advance of its final disposition (hereinafter an “advancement of expenses”).

(b) Any advancement of expenses under this Section shall be made only upon receipt of an undertaking by such person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified for such expenses under this Article IX or otherwise.

Section 9.05. Contract Right and Enforcement.

The right of a MSCHE Commissioner, Officer, committee member, peer evaluator, employee or agent or a MSCHE-appointed trustee of the Association, under Section 9.03 hereof to indemnification shall be a contract right. If a Commissioner, Officer, committee member, peer evaluator, employee or agent or a MSCHE-appointed trustee of the Association is successful in whole or in part in any suit seeking to enforce or determine such individual's right to indemnification pursuant to Section 9.03 hereof, such person shall also be entitled to be paid by the Corporation, the reasonable expenses (including attorneys fees) of prosecuting or defending such suit.

Section 9.06. Nonexclusivity.

The indemnification and advancement of expenses provided in this Article IX shall not be deemed exclusive of any other rights to which any person indemnified may be entitled under any bylaw, agreement, vote of the Executive Committee or disinterested Commissioners, or otherwise, both as to action in such person’s official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be such a MSCHE Commissioner, Officer, committee member, peer evaluator, employee or agent or a MSCHE-appointed trustee of the Association, and shall inure to the benefit of the heirs, executors, and administrators of such person.

ARTICLE X
AMENDMENTS

Section 10.01. Scope of Amendments.

Anything in these Bylaws to the contrary notwithstanding, no amendment to the Bylaws or the Articles of Incorporation shall permit the Corporation to conduct its affairs in a manner inconsistent with Section 501(c)(3) of the Code or other applicable laws.

Section 10.02. Amendments.

(a) Bylaws

The Commission, by the affirmative vote of at least a majority of the voting members of the Commission entitled to vote at any duly constituted regular meeting or special meeting, may alter, amend, or repeal any bylaw, provided that written notice of the proposal of such amendment, alteration, or repeal has been given to all members of the Commission at least ten (10) days prior to such meeting.

(b) Articles of Incorporation

(i) The voting members of the Commission, as the members of the Corporation, by an affirmative vote of at a majority of the voting members entitled to vote at any duly constituted regular or special meeting of the members of the Corporation, may amend the Articles of Incorporation of the Corporation, provided that written notice of the proposal of such amendment, together with a copy of the proposed amendment or a summary thereof, has been given to all members of the Commission at least ten (10) days prior to such meeting.

(ii) Upon approval of such proposed amendment, Articles of Amendment may be executed, acknowledged, and filed with the Secretary of State of the Commonwealth of Pennsylvania.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Fiscal Year.

The fiscal year of the Corporation shall begin the first day of July of each year and end on the thirtieth day of June next succeeding.

Section 11.02. Negotiable Instruments.

The Commission shall designate one or more officers or other persons who shall sign all checks or demands for money and notes of the Corporation.

Section 11.03. Corporate Records.

The Corporation shall keep (a) minutes of the proceedings of the Commission, and (b) appropriate, complete, and accurate books or records of account, at its registered office or the principal place of business or any actual business office of the Corporation.