

**ADDISON COUNTY COMMUNITY TRUST
BYLAWS**

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ARTICLE I - GENERAL PROVISIONS

Section 1 - Name.

The name of the Corporation is the Addison County Community Trust, hereinafter referred to as the "Corporation."

Section 2 - Purpose.

This non-profit corporation is organized for charitable purposes and to establish and maintain in Addison County, housing for low and moderate-income families while maintaining the historic and aesthetic qualities of the county. The Corporation shall promote the general social welfare of the community and for that purpose may:

- i. acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, or national origin;
- ii. acquire, improve and operate any real or personal property or interest or rights therein or appurtenant;
- iii. sell, convey, assign, mortgage, or lease any real or personal property;
- iv. borrow money and execute such evidence of indebtedness and such contracts, agreements and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith; and
- v. do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers. The affairs of the Corporation shall be conducted in such a manner at all times as to maintain its charitable status, and to qualify for tax exempt status pursuant the Section 501 of the Internal Revenue Code of 1954 as amended.

The Corporation shall also have the following purposes:

- i. to acquire and hold land and housing in trust in order to provide access to land and housing for current and future low and moderate income Addison County residents;
- ii. to provide coordination and centralization of affordable housing technical assistance and information;
- iii. to promote the general social welfare of Addison County communities through holding land leases for facilities such as health centers, childcares, emergency shelters, and others;
- iv. to acquire and hold properties in order to provide access to space for enterprises, both commercial and other, which will contribute to community well-being, preserve affordable space for such enterprises and build an economic base for Addison County communities; and
- v. to educate community residents and provide community service and leadership in support of the development of decent affordable housing throughout Addison County.

The enumeration above of the specific powers shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

Section 3 - Offices.

The principal office of the Corporation shall be located in Vergennes, Vermont. The Board of Directors may establish other offices, from time to time, within the State of Vermont, as the affairs of the Corporation require.

Section 4 - Non- Discrimination.

In all of its dealings with residents, prospective residents and all other persons, the Corporation and/or its duly authorized agents and bodies shall not discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, marital status, sexual preference, or physical capability.

ARTICLE II - MEMBERSHIP

Section 1 – Membership Composition.

The membership shall be comprised of each member of the Board of Directors, the Executive Director and all current residents of the Corporation over eighteen years of age who are in good standing with the Corporation. Residents shall include owners of resale-restricted homes, residents of mobile home parks, and tenants of apartments owned and/or managed by ACCT.

Section 2 - Membership Dues.

There shall be no membership dues.

Section 3 - Rights of Members.

- i. Every member shall have the right to participate in meetings of the membership, to cast one vote on all matters properly put before the membership of the Corporation for consideration, to nominate members to serve on the Board of Directors as provided by these Bylaws, to serve on the Board of Directors or on committees if chosen, to receive notices of Membership or Special Meetings, and to receive Annual Reports as provided by these Bylaws.
- ii. The assent of the membership, in accordance with these Bylaws, shall be required before action may be taken on the dissolution of the Corporation or the amendment of the Certificate of Incorporation.

Section 4 - Membership Meetings.

- a) Annual Meeting of Membership. There shall be an Annual Meeting of the Membership of the Corporation to receive reports to the membership by the Officers and Board of Directors and transact any other business properly put before the membership. The date, location and time of the Annual Meeting shall be determined by the Board. Written notice of every Annual Meeting

shall be mailed to all members at least ten days prior to the meeting and shall include an agenda for the meeting.

- b) Special Meetings. Special meetings of the membership may be called by the Board of Directors or by a written petition, addressed to the President of the Corporation, signed by at least 25 members. Notice of the date, time and location of the Special Meeting shall be mailed to all members at least ten days before the meeting. At a Special Meeting, only those matters stated on the agenda, as included in the notice of the Special Meeting, may be acted upon at the Special Meeting.
- c) Open Meetings. All membership meetings shall be open to any person.
- d) Minutes. Minutes of all membership meetings shall be recorded by the Secretary of the Corporation or by such other person as the Board of Directors may designate and shall be made available to all members within one month following that meeting. Minutes for every meeting shall be approved by the membership at the next membership meeting.
- e) Quorum. A quorum shall consist of 15 members. A bylaw amendment to decrease the quorum for any member action may be approved by the Board.
- f) Decision - Making. Whenever possible, decisions shall be made at membership meetings by the unanimous consent of the members present. In the event that unanimity is not attained, a decision shall be made by an affirmative vote of a majority of the members present and voting.

ARTICLE III – BOARD OF DIRECTORS

Section 1 - General Powers and Authority of the Board of Directors

All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of the Board of Directors (the “Board”), including, but not limited to those powers necessary to achieve the purposes as set forth in Section 2 of Article I.

Section 2 - Composition of the Board of Directors

The Board of Directors shall be no fewer than seven or greater than fifteen Directors, as the Board shall determine from time to time. All Directors shall be in good standing of the Corporation. The Board shall be composed of three separate “Board Categories”, as follows:

- i. “Qualified Residents”, defined as residents who reside in any of the Corporation’s owned or managed properties and who are at least eighteen years of age;
- ii. “Public Representatives” representing the broad public interest of Addison County, such as municipal and social service representatives from community organizations, social service agencies and municipal governments; and
- iii. General Representatives.

Each of the above Categories shall be represented by approximately one third of the total number of directors at any given time. Low income representation shall also be a goal.

Section 3 – Term of Directors.

Each Director shall serve a term of three years and shall serve for a maximum of three consecutive terms. Directors shall be elected on a rotational basis such that in any given year, there shall be nominations representing approximately one third of the Board membership. The term of office of a regularly elected Director shall commence at the adjournment of the Annual Meeting in which he or she is elected. The term of office of a Replacement Director elected by the Board to fill a vacancy shall commence at the time of his or her acceptance of the position.

Section 4 – Nomination and Election of Board Members.

The Board shall appoint up to four directors to serve on the Nominating Committee until the next Annual Meeting. Members of the Nominating Committee may be appointed to successive terms. This committee shall be responsible for identifying and recruiting prospective directors of the Corporation and shall submit in writing a slate of nominees to the Secretary of the Corporation at least ten days prior to the Annual Meeting. The committee shall solicit, from residents and Board members, nominations of residents to fill any vacancies or expiring terms of the Resident Category of the Board.

A list of all persons nominated in each of the Categories shall be included with the notice of the Annual Meeting.

Directors shall be elected at the Annual Meeting by a majority of the Board members present, a quorum being assembled.

Section 5 - Vacancies.

If any Director vacates his or her term or is removed from the Board, the remaining Directors (though they may constitute less than a quorum) may elect a person from that Board Category to fill the vacancy, or may, by unanimous agreement, decide to leave the position vacant, provided the Board still includes the minimum number of Directors as defined in Section 2 of this Article. Elections to fill vacancies shall be by a majority of the remaining Directors. Such Replacement Directors elected by the Board shall serve until the next Annual Meeting, at which time a permanent replacement shall be elected to fulfill the remainder of the term according to the procedures described in Sections 2, 3 and 4 of this Article.

Section 6 - Resignation of Directors.

A Director may resign by delivering written notice to the Board of Directors or President of the Corporation. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the President.

Section 7 - Removal of Directors.

A Director may be removed without cause by the vote of two-thirds of the Directors then in office. In addition, a Director may be removed by affirmative vote of a majority of the Directors then in office for failing to attend three consecutive, regular meetings of the Board of Directors.

Section 8 - Meetings of the Board of Directors.

- a) Notice of Meetings. Except as otherwise provided for special or emergency meetings, below, written notice of a Board meeting, along with a proposed agenda and minutes of the previous meeting, shall be e-mailed or otherwise distributed to all Directors at least two days prior to the meeting.
- b) Waiver of Notice. Any Director may waive any notice required by these Bylaws. Any Director who has not received notice of a Board Meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he or she requests that his or her protest be recorded in the minutes of the meeting.
- c) Annual Meeting. There shall be an annual meeting of the Corporation.
- d) Regular Meetings. The Board of Directors shall meet as needed but no less often than once every two months, at such times and places as the Board may establish.
- e) Special and Emergency Meetings. Special meetings may be called by the President or by any three Directors. Notice must be given as provided in paragraph a. of this Section, unless any three Directors determine that matter at hand constitutes an emergency, in which case an Emergency Meeting may be called without notice to the Residents. Every reasonable effort shall be made to notify all Directors. At any Special Meeting or Emergency Meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Directors are present at the meeting and consent to take action on other matters.

Section 9 - Procedures for Meetings of the Board of Directors.

- a) Open Meetings. All meetings of the Board of Directors shall be open to any person except, when the Board has voted during an open meeting, to go into executive session.
- b) Executive Session. A motion to go into executive session shall state the nature of the business of the executive session, and no other matter may be considered in the executive session. Executive session topics shall be limited to matters prescribed by any applicable Vermont statutes. Attendance in executive session shall be limited to Board members, legal counsel, and any persons who are subjects of the discussion or whose knowledge is needed. Minutes of an executive session need not be taken; however, if they are taken, they shall be recorded as a part of the minutes of the meeting in which the Board has voted to go into executive session.
- c) Quorum. At any meeting the Board, a quorum shall consist of a majority of the Board of Directors.
- d) Decision Making. The Board shall attempt to reach unanimous agreement on all decisions. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the Directors present and voting, a quorum being present, unless otherwise provided in this document
- e) Minutes. Minutes of all Board Meetings shall be recorded by the Secretary or by such other person as the Board may designate, and shall be approved by the Board at the next Board meeting. Minutes of each Board meeting shall be distributed with notice of the next Board

meeting to all Directors. All minutes of Board meetings shall be kept on permanent record by the Corporation and shall be open for inspection.

Section 10 – Duties of the Board of Directors.

The Board shall be empowered to:

- i. Hire and supervise the Executive Director.
- ii. Select all Officers of the Corporation.
- iii. Create and appoint such standing or ad hoc committees (which may include persons who are not Trustees) as the Board considers necessary or desirable to conduct the affairs and further the purposes of the Corporation.
- iv. Approve annual operating budgets.
- v. Cause to be prepared a written Annual Report for the Corporation outlining the nature and results of the Corporation's activities during the preceding year, and showing the financial condition of the Corporation.
- vi. Provide notices of meetings, minutes and reports, as required by these Bylaws or otherwise required by the Membership.
- vii. Investigate any possible conflicts of interest within the Corporation.
- viii. Determine by whom deeds, contracts and other instruments shall be negotiated or executed on behalf of the Corporation.
- ix. Acquire personal and real property through donation or purchase and obtain development resources.
- x. Convey interests in land, enter into limited conveyances and covenants to restrict the use of land in accordance with the purposes of the Corporation, and terminate such restrictions when determined by the Board to be appropriate. Altering, amending or deleting the limited appreciation formula contained in such restrictive conveyances shall require an affirmative vote of two-thirds of the filled seats on the Board.
- xi. Accept grants and loans from public and private institutions enter into financing agreements, and encumber real estate owned by the Corporation as security for repayment of such loans.
- xii. Approve the lending or granting of funds consistent with the Corporation's mission and the guidelines of any funds administered by the Corporation for such purpose.
- xiii. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Vermont Nonprofit Corporation Act, Title 11 B of the Vermont Statutes, the Corporation's Articles of Association and these Bylaws.

Section 11 - Conflict of Interest.

Prior to their election and annually thereafter, each Director shall file with the Secretary of the Corporation a statement indicating any conflict of interest as defined by the Corporation's conflict of interest policy. Such statements shall be preserved in the permanent records of the Corporation.

ARTICLE IV - OFFICERS

Section 1 - Designation.

The officers of the Corporation shall be: President, Vice President, Secretary, and Treasurer.

Section 2 - Election.

At each Annual Meeting, the officers of the Corporation shall be elected by a majority vote of the Board of Directors, from among themselves. Any vacancies occurring in any of these officers shall be filled by the Board for the unexpired term.

Section 3 - Tenure.

The officers shall hold office until the end of the next Annual Meeting after their election, unless, before such time, they resign or are removed from their offices, or unless they resign from the Board of Directors. Any officer who ceases to be a member of the Board of Directors shall thereby cease to be an officer.

Section 4 - Removal from Office.

The officers shall serve at the pleasure of the Board of Directors and may be removed from office at any time by an affirmative vote of at least two-thirds of the entire board of Directors.

Section 5 - Duties of the President.

The President shall, subject to the control of the Board of Directors, supervise and control the management of the Corporation in accordance with these Bylaws. The President may sign, with the Secretary or any other proper Officer of the Corporation so authorized by the Board of Directors, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the Corporation, except where signing and execution thereof expressly shall be delegated by the Board of Directors to some other Officer or agent of the Corporation, or where required by law to be otherwise signed and executed. The President shall serve as the Chairperson of the Board of Directors and shall preside at all meetings of the Board of Directors. The President shall, in general, perform all duties incident to the office of President and such other duties as may be prescribed from time to time by the Board of Directors.

Section 6- Duties of the Vice President.

The Vice President of the Corporation shall perform all duties of the President in the event that the President is absent or unable to perform these duties and perform the duty assigned in these By-Laws regarding the resignation of a Director or the removal of a Director, when the President is disqualified from performing these duties.

Section 7 - Duties of the Secretary of the Corporation.

The Secretary of the Corporation shall:

- i. assure that notice of all meetings of the Board of Directors is given in accordance with these Bylaws;
- ii. assure that motions and votes in meetings of the Board of Directors are accurately stated in the minutes of such meetings;
- iii. assure that minutes of all meetings of the Board of Directors are recorded, distributed, and kept on permanent record, in accordance with these Bylaws;
- iv. perform such other duties as the Board of Directors may direct.

Section 8 - Duties of the Treasurer.

The Treasurer of the Corporation shall cause regular books of account to be kept, and shall render to the Board of Directors, from time to time as may be required, an account of the financial condition of the Corporation, shall deliver an annual report at the annual meeting, and shall perform all other duties properly required of the Treasurer by the Board of Directors. In addition, the Treasurer shall:

- i. Serve as Chair of the Finance Committee;
- ii. Manage, with the Finance Committee, the Board's review of, and action related to, the Board's financial responsibilities;
- iii. Work with the Executive Director and finance manager to ensure that appropriate financial reports are made available to the Board on a timely basis;
- iv. Assist the Executive Director and financial manager in preparing the annual budget, and presenting the budget to the Board for approval;
- v. Work with the Finance Committee and the Executive Director to develop Fiscal Policies for recommendation to the Board to ensure the financial integrity and sustainability of the organization;
- vi. Work with the Finance Committee and the Executive Director to develop long-term financial strategies; and
- vii. Keep currently informed of legal, regulatory and sector developments relating to the Board's financial responsibilities.

ARTICLE V - COMMITTEES OF THE BOARD OF DIRECTORS

Committees of the Board of Directors shall include a finance committee, and nominating committee, and others as needed and shall serve at the pleasure of the Board of Directors.

ARTICLE VI - STEWARDSHIP OF LAND

Section 1 - Principles of Land Use.

The Board of Directors shall oversee the use of land owned by the Corporation and shall convey the right to use such land so as to facilitate access to land and affordable housing by low-income, moderate-income and disadvantaged people. In so doing, the Board shall be guided by the following principles:

- i. The Board shall consider the needs of potential Residents and shall attempt to effect a just distribution of land use rights;
- ii. The Board shall convey land use rights in a manner that will preserve access to housing for future low-income, moderate-income and disadvantaged people; and
- iii. The Board shall convey land use rights in a manner that will promote the long-term well-being of the community and the long-term health of the environment.

Section 2 - Encumbrance of Land.

The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval by a majority of the entire of Board of Directors.

Section 3 - Sale of Land.

The sale of land does not conform to the general philosophy and purposes of the Corporation. Accordingly, land shall not be sold except in special circumstances where such a sale would further the goals of the Corporation.

No land shall be sold without:

- i. An affirmative vote of at least two-thirds of the entire Board of Directors at a regular or special Board meeting, provided that written notice of such a meeting has described the proposed sale and the reasons for the proposal; and
- ii. The written consent of seventy-five percent of any members who reside at the property being considered for sale.

Sale or Transfer of Land under this section shall not be construed to include regular activities relating to the formation of limited partnerships for the purpose of housing development.

ARTICLE VII - OWNERSHIP OF HOUSING AND OTHER IMPROVEMENTS LOCATED ON THE CORPORATION'S LAND, AND THE LIMITATION OF APPRECIATION.

Section 1 - Ownership of Housing and Improvements on the Corporation's Land Leased to Leaseholders.

In accordance with the purposes of the Corporation, the Board of Directors shall take appropriate measures to promote and facilitate the ownership of housing and other improvements on the Corporation's land by low-income, moderate-income and disadvantaged people to whom the land is leased. These measures may include, but are not limited to, provisions for the sale of housing to leaseholders; provisions for financing the acquisition of housing by leaseholders, including direct loans

to leaseholders by the Corporation; and provision for grants or other subsidies that will lower the cost of housing for Leaseholders.

Section 2 - Purchase by the Corporation of Property Located on the Corporation's Land.

It is a purpose of the Corporation to assure the continued affordability of housing and other improvements on the Corporation's land for low-income, moderate-income and disadvantaged people in the future. Accordingly, when land-use rights are conveyed to Leaseholders, the Board of Directors shall assure that, as a condition of the conveyance, the Corporation is granted the right to purchase any housing or other improvements on the land, for a price determined by the "appreciation limitation formula," at such time as the lease is terminated.

Section 3 - The Appreciation Limitation Formula.

As used herein, the term "appreciation limitation" refers to restrictions placed on the price that leaseholders may receive when they sell housing and other improvements located on the Corporation's land. A policy establishing such restrictions in the form of an "appreciation limitations formula" shall be adopted by the Board of Directors in accordance with the following principles:

- i. To the extent possible, the formula shall allow the seller to receive a price based on value that the seller has actually invested (including the investment of the seller's labor) in the property being sold;
- ii. To the extent possible, the formula shall limit the price of the property to an amount that will be affordable for other low-income and disadvantaged people at the time of the transfer of ownership; and
- iii. To the extent possible, all leaseholders or other residents owning property located on the Corporation's land shall be treated equally.

Section 4 - Procedures for Adoption or Alteration of the Appreciation Limitation Formula.

The adoption or alteration of the appreciation limitation formula shall require an affirmative vote by at least two-thirds of the entire Board of Directors.

Section 5 - Disclaimer.

Nothing in this Article shall be construed as prohibiting the Corporation and its Leaseholders or other residents from entering into any type of mortgage agreement that is deemed appropriate and necessary in financing housing or other improvements in accordance with the purposes of the Corporation.

ARTICLE VIII- AMENDMENT OF CERTIFICATE OF INCORPORATION AND BYLAWS

The Certificate of Incorporation and these Bylaws may be altered or amended, in whole or in part, by the affirmative vote of two-thirds of the entire Board of Directors, except as provided for under Rights of Members.

ARTICLE IX - DISSOLUTION

In the event of dissolution of the Corporation or in the event it shall cease to carry out the purposes set forth, all business, property and assets of the Corporation shall go and be distributed exclusively for a charitable purpose to an organization exempt under Section 501 (c) (3) of the Internal Revenue Code or to a governmental unit or instrumentality for the public purpose of preserving access to affordable housing and open land for low-income, moderate-income, and disadvantaged people.

A decision to dissolve the Corporation and to distribute the Corporation's asset shall require an affirmative vote by at least two-thirds of the entire Board of Directors, and at least two thirds of the members present and voting at Board and Membership meetings, respectively, duly convened and specifically called to consider dissolution. Notice of each of the meetings to consider dissolution shall include the date, time and place of the meeting and shall be given no later than ten days prior to the meeting.

ARTICLE X – MISCELLANEOUS PROVISIONS

Section 1 – Fiscal Year.

The fiscal year of the Corporation shall begin on January 1 or each year, and shall end on December 31 of each year.

Section 2- Deposit of Funds.

All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Directors from time to time may determine.

Section 3 – Checks, etc.

All checks, drafts, endorsements, notes, and evidence of indebtedness of the corporation shall be signed by such bonded officers or bonded agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsement for deposits to the credit of the Corporation shall be made in such manner as the Board of Directors from time to time may determine.

Section 4 – Loans.

No loan or advances shall be contracted on behalf of the Corporation, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions.

Section 5 – Contracts.

Any officer or agent of the Corporation specifically authorized by the Board of Directors, may, on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of the Corporation.

Section 6 – Corporate Liability Insurance.

The Corporation shall carry liability insurance covering the Board of Directors and the professional staff of the Corporation when such person is made or threatened to be made a party to any action, suit or proceeding by reason of the fact that her or she is or was a Director or Officer or professional staff member of the Corporation, except in relation to matter as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer or professional staff member is liable for negligence or misconduct in the performance of his or her duties.