

**Bylaws of
Austin Investigative Reporting Project
A Texas Non-Profit Corporation**

Preamble

These Bylaws are subject to, and governed by, the Texas Non-Profit Corporation Act and the Certificate of Formation, Nonprofit Corporation, of the Austin Investigative Reporting Project. In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the Texas Non-Profit Corporation Act, the Texas Non-Profit Corporation Act will be controlling. In the event of a direct conflict between the provisions of these Bylaws and the Certificate of Formation of the Austin Investigative Reporting Project, these Bylaws will be controlling.

Article 1

Offices

Section 1. Principal Office

The principal office of the corporation is located at 509 E. 38th St., Austin, in Travis County, State of Texas.

Section 2. Change of Address

The designation of the county or state of the corporation's principal office may be changed by amendment of these Bylaws. The Board of Directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these Bylaws:

New Address: _____

Dated: _____, 20__

New Address: _____

Dated: _____, 20__

New Address: _____

Dated: _____, 20__

Section 3. Other Offices

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the Board of Directors may, from time to time, designate.

Article 2

Nonprofit Purposes

Section 1. IRC Section 501(c)(3) Purposes

- a. The corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code.
- b. The corporation may engage in any and all lawful activities incidental to the foregoing purposes, except as otherwise restricted herein.

Section 2. Specific Objectives and Purposes

The specific objectives and purposes of this corporation shall be:

- a. To establish and maintain a nonprofit, nonpartisan online news website (www.theaustinbulldog.org) for the publication of independent reporting in the public interest.
- b. To go beyond the limits of top-down, one-way coverage that lectures. Instead, we will strive to engage our readers in a two-way dialog that advances the cause of democracy, freedom of information and open government.
- c. To publish news and commentary on the website that is available free of charge on the Internet to anyone who wishes to read it.
- d. Our target audience includes the residents of Austin, Texas, and surrounding communities, elected and government officials, activists, environmentalists, neighborhood organizations and others.

- e. To use a Creative Commons license (see <http://creativecommons.org>) to allow anyone, including other media, to copy and distribute the intellectual property published on the website provided they credit The Austin Bulldog.
- f. To generate financial support of the general public and appropriate grant funding necessary to sustain ongoing news gathering and reporting operations.
- g. To engage in other activities related to the corporation's specific objectives and purposes.

Article 3

Directors

Section 1. Number

- a. The corporation shall have up to nine but no fewer than three directors and collectively they shall be known as the Board of Directors. A Board member need not be a resident of the state of Texas.
- b. In addition to the regular members of the Board, representatives of such other organizations or individuals as the Board may deem advisable to elect shall be ex-officio Board members, but shall not have voting power, shall not count as one of the regular Board members, and shall not be eligible for office.

Section 2. Qualifications

Directors shall be of the age of majority in this state.

Section 3. Powers

Austin Investigative Reporting Project shall be governed by a Board of Directors ("the Board"), which shall have all of the rights, powers, privileges and limitations of liability of directors of a nonprofit corporation organized under the Texas Non-Profit Corporation Act.

Section 4. Duties

It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or

individually by law, by the certificate of formation, or by these Bylaws;

- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- c. Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these Bylaws;
- e. Register their home and e-mail addresses and telephone numbers with the secretary of the corporation, and notices of meetings mailed or e-mailed to them at such addresses shall be valid notices thereof.

Section 5. Term of Office

Each director shall hold office for a period of unlimited duration and until his or her successor is elected.

Section 6. Compensation

Directors shall serve without compensation other than reasonable expenses incurred in the performance of their duties. However, provided the compensation structure complies with Article 9 of these Bylaws, nothing in these Bylaws shall be construed to preclude any director from serving the organization in any other capacity and receiving compensation for services rendered. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these Bylaws.

Section 7. Place of Meetings

Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such other place as may be designated from time to time by resolution of the Board.

Section 8. Regular Meetings

The Board's regular meetings may be held at such time and place as shall be determined by the Board.

Section 9. Special Meetings

The president or any two other directors may call a special meeting of the Board on one week's notice to each member of the Board.

Section 10. Notice of Meetings

Notice shall be served to each Board member via hand delivery, US mail or e-mail. The person or persons authorized to call special meetings of the Board may fix any place, so long as it is reasonable, as the place for holding any special meeting of the Board called by them.

Section 11. Quorum for Meetings

- a. A quorum for the transaction of business shall consist of one-third of the members then serving on the Board but in no case less than three members of the Board.
- b. Except as otherwise provided under the certificate of formation, these Bylaws, or provisions of law, no business shall be considered by the Board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

Section 12. Proxy

A Board member who is unable to attend a meeting of the Board or a Board Committee may vote by written proxy given to any other voting member of the Board or Committee or designated staff member who is in attendance at the meeting in question. However, a vote by proxy will not be counted toward the number of Board members needed to be present to constitute a quorum for the transaction of business. No proxy shall be valid after three months from the date of execution. Each proxy shall be revocable unless expressly stated therein to be irrevocable or unless made irrevocable by law.

Section 13. Majority Action as Board Action

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the certificate of formation, these Bylaws, or provisions of law require a greater percentage or different

voting rules for approval of a matter by the Board.

Section 14. Conduct of Meetings

- a. Meetings of the Board of Directors shall be presided over by the chairperson of the Board, or, if no such person has been so designated, or in his or her absence, the president of the corporation, or in his or her absence, by the vice president of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.
- b. Meetings shall be governed by such procedures as may be approved from time to time by the Board of Directors, insofar as such rules are not inconsistent with or in conflict with the certificate of formation, these Bylaws, or with provisions of law.

Section 15. Vacancies

- a. Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.
- b. Any director may resign effective upon giving written notice to the chairperson of the Board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.
- c. Directors may be removed from office, with or without cause, at any duly constituted meeting of the Board, by the affirmative vote of a majority of then-serving Board members.
- d. Vacancies on the Board may be filled by approval of the Board of Directors. If the number of directors then in office is less than a quorum, a vacancy on the Board may be filled by approval of a majority of the directors then in office or by a sole remaining director.

Section 16. Nonliability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 17. Indemnification by Corporation of Directors and Officers

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of Texas.

Section 18. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the certificate of formation, these Bylaws, or provisions of law.

Article 4

Officers

Section 1. Designation of Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer, and other such officers with such titles as may be determined from time to time by the Board of Directors. Any two or more offices, other than the offices of the president and secretary, may be held by the same person.

Section 2. Qualifications

All officers shall be members of the Board during their terms of office.

Section 3. Election and Term of Office

Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she resigns or is removed or

is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 4. Removal and Resignation

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

Section 5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 6. Duties of President

The president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the certificate of formation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Except as otherwise expressly provided by law, by the certificate of formation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

Section 7. Duties of Vice President

In the absence of the president, or in the event of his or her inability

or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the certificate of formation, or by these Bylaws, or as may be prescribed by the Board of Directors.

Section 8. Duties of Secretary

The secretary shall:

- a. Certify and keep at the principal office of the corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.
- b. Keep at the principal office of the corporation or at such other place as the Board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d. Be custodian of the records of the corporation.
- e. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, and the minutes of the proceedings of the directors of the corporation.
- f. In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the certificate of formation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 9. Duties of Treasurer

The treasurer shall:

- a. Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other

depositories as shall be selected by the Board of Directors.

- b. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- c. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
- d. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
- e. Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.
- f. Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- h. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the certificate of formation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 10. Compensation

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation. All officer salaries shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these Bylaws.

Article 5

Committees

Section 1. Executive Committee

- a. The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting of three Board members and may delegate to such committee the powers and authority of the Board in the management of the business and affairs of the corporation, to the extent permitted, and, except as may otherwise be provided, by provisions of law.
- b. By a majority vote of its members, the Board may at any time revoke or modify any or all of the executive committee authority so delegated, increase or decrease but not below two (2) the number of the members of the executive committee, and fill vacancies on the Executive Committee from the members of the Board. The executive committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 2. Other Committees

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. These committees may consist of persons who are not also members of the Board and shall act in an advisory capacity to the Board.

Section 3. Meetings and Action of Committees

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

Article 6

Execution of Instruments, Deposits, and Funds

Section 1. Execution of Instruments

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Checks and Notes

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

Section 3. Deposits

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Gifts

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

Article 7

Corporate Records, Reports, and Seal

Section 1. Maintenance of Corporate Records

The corporation shall keep at its principal office:

- a. Minutes of all meetings of directors and committees of the Board,

indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c. A copy of the corporation's certificate of formation and Bylaws as amended to date, which shall be open to inspection at all reasonable times during office hours.

Section 2. Corporate Seal

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. Directors' Inspection Rights

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the certificate of formation, other provisions of these Bylaws, and provisions of law.

Section 4. Right to Copy and Make Extracts

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 5. Periodic Report

The Board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state, to be so prepared and delivered within the time limits set by law.

Article 8

IRC 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

- a. No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.
- b. The Austin Investigative Reporting Project (dba The Austin Bulldog) is, however, a journalistic enterprise founded to provide independent reporting in the public interest. The Austin Bulldog will report on legislation and political campaigns and provide full and fair exposition of pertinent facts to permit an individual or members of the public to form an independent opinion or conclusion about the qualifications of the political candidates and legislation we cover.
- c. Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in

accordance with all applicable provisions of the laws of this state.

Article 9

Conflict of Interest and Compensation Approval Policies

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

- a. Interested Person.** Any director, principal officer, member of a committee with governing Board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 3. A potential ownership or investment interest in, or

compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b (below), a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures

a. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

b. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

c. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing Board or committee shall determine whether the corporation can obtain

with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

d. Violations of the Conflicts of Interest Policy

- a. If the governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing Board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction

or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

A voting member of the governing Board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the Board or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the Board or compensation committee prior to the first payment of compensation;
- b. all members of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each Board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the Board or committee member.
- c. the Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the Board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation

paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved;
 2. the members of the Board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each Board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the Board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the Board or committee shall record in the minutes of the meeting the basis for its determination;
 5. If the Board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board or committee meeting;
 6. Any actions taken with respect to determining if a Board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of

the votes to approve the arrangement);

7. The minutes of Board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board or committee meeting or 60 days after the final actions of the Board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next Board or committee meeting following final action on the arrangement by the Board or committee.

Section 6. Annual Statements

Each director, principal officer, and member of a committee with governing Board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or

Article 10

Amendment of Bylaws

Section 1. Amendment

Except as may otherwise be specified under provisions of law, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Board of Directors.

Article 11

Construction and Terms

- a. If there is any conflict between the provisions of these Bylaws and the certificate of formation of this corporation, the provisions of the certificate of formation shall govern.
- b. Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.
- c. All references in these Bylaws to the certificate of formation shall be to the certificate of formation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.
- d. All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to

corresponding provisions of any future federal tax code.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of 22 preceding pages, as the Bylaws of this corporation.

Dated: June 4, 2009

Kenneth W. Martin

President:

Rebecca L. Melançon

Vice President and Secretary-Treasurer:

Thomas E. Spencer

Director:

