

# **By-Laws of Lucie's Place, Inc.**

## **Adopted as of November 2, 2011**

### **Article One -- Name and Purposes**

#### **Section 1.01 Name**

The name of the organization is "Lucie's Place, Inc." also referred to as "the Corporation."

#### **Section 1.02 Purposes**

In response to the disproportionate and overwhelming number of young adults who identify as lesbian, gay, bisexual, transgender, queer, or questioning (LGBTQ) in the population of homeless people in Central Arkansas, Lucie's Place is organized exclusively for the charitable and educational purposes as specified in Section 501(c)(3) of the Internal Revenue Code. Specific purposes include providing short-term and long-term support services and safe shelters for homeless young adults, ages eighteen to twenty-five, who identify as LGBTQ. The goal of Lucie's Place is to provide a safe home in which these young adults can live their lives to the fullest while developing skills necessary for independent living. Lucie's Place may also make distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

### **Article Two -- Board of Directors**

#### **Section 2.01 Authority of Directors**

The Board of Directors ("the Board") is the policy-making body and may exercise all the powers and authority granted to the Corporation by law. Subject to the laws of Arkansas and any limitations in the articles of incorporation and these bylaws of the Corporation, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board.

#### **Section 2.02 Number of Directors**

The Board shall consist of no more than nine (9) or fewer than three (3) Directors. The number of Directors may be increased or decreased from time to time by a resolution of the Board or by amendment to these bylaws.

#### **Section 2.03 Qualifications of Directors**

Directors shall be of the age of majority in Arkansas. Other qualifications of directors for the Corporation may be adopted as the Board shall determine.

#### **Section 2.04 Election and Term of Directors**

The first Board of directors of the Corporation shall consist of those persons named in the articles of incorporation. Such persons shall hold office until the first election of directors, at which time the positions on the Board shall be apportioned so that approximately one-half of the directors shall serve one-year terms and approximately one-half of the directors shall serve two-year terms. Thereafter, at each Annual Meeting of the Board, the Board shall elect directors, each director to hold office for a term of two years and until his or her successor has been elected and qualified. There will be no limit on the number of terms that a director may serve.

#### **Section 2.05 Compensation of Directors**

Directors shall serve on the Board without compensation except that the Corporation may reimburse directors for documented and reasonable expenses incurred in the performance of their duties to the Corporation, including reimbursement of expenses incurred attending regular and special meetings of the Board. Any payments to directors shall be approved in advance in accordance with the Corporation's conflict of interest policy, as set forth in Article Ten of these bylaws.

#### **Section 2.06 Annual, Regular & Special Meetings**

The Board shall hold at least one (1) regular meeting annually, which shall be known as the Annual Meeting.

The Board may also hold Regular Meetings as such times and places as the Board shall determine. Special Meetings may be called by any two (2) directors. Notice shall be given of all Board meetings. The notice of any meeting shall state the date, time, and place of such meeting, and shall be given at least two (2) days prior to the meeting.

**Section 2.07      Waivers of Notice**

Whenever notice is required to be given to any director under any provision of law, the Articles of Incorporation, or these bylaws, a waiver in writing signed by the director entitled to such notice, whether before or after the time stated therein, shall be the equivalent to the giving of such notice. To the extent provided by law, the requisite signature may be provided in the form of a facsimile or an electronic image, such as a scanned signature sent by electronic mail. The presence of any director at a meeting, in person or by conference telephone, without objection to the lack of notice of the meeting, shall also waive notice by such director. Written waivers of notice shall be filed with the minutes of the corporate records.

**Section 2.08      Place of Meetings**

Meetings shall be held at the principal office of the Corporation unless otherwise provided by the Board, by the person or persons calling a Special Meeting, or at such other place as may be designated from time to time by resolution of the Board.

**Section 2.09      Quorum and Voting**

Unless a greater proportion is required by law, a quorum shall consist of a majority of the total number of Board members in office. Unless otherwise required by the articles of incorporation, these bylaws, or other law, all decisions will be by majority vote of those present at a meeting at which a quorum is present. 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 2.10      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, unless the articles of incorporation, these bylaws, or other law require a greater percentage or different voting rules for approval of a matter by the Board.

**Section 2.11      Conduct of Meetings**

Meetings of the Board 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.

**Section 2.12      Vacancies**

Vacancies on the Board shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased. Any director may resign effective upon giving written notice to the chairperson of the Board, the president, the secretary, or the Board, 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 Arkansas. Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of Arkansas.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or other law, vacancies on the Board may be filled by approval of the Board. 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. A person elected to fill a vacancy on the Board shall hold office until the next election of the Board or until his or her death, resignation, or removal from office.

**Section 2.13 Nonliability of Directors**

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

**Section 2.14 Insurance for Corporate Agents**

Except as may be otherwise provided under other law, the Board 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 articles of incorporation, these bylaws, or other law.

**Article Three -- Offices**

**Section 3.01 Principal Office**

The principal office of the Corporation is located at 201 S. Pulaski St., Little Rock, Arkansas, 72201-1926, in Pulaski County.

**Section 3.02 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 an amendment of these bylaws.

**Section 3.03 Other Offices**

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

**Article Four -- Officers**

**Section 4.01 Designation of Officers**

The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The corporation may also have a chairperson of the Board, one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the Board. Two (2) or more offices may be held by the same person.

**Section 4.02 Qualifications**

Any person may serve as officer of the Corporation.

**Section 4.03 Election and Term of Office**

Officers shall be elected by the Board, 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 4.04 Removal and Resignation**

Any officer may be removed, either with or without cause, by the Board, at any time. Any officer may resign at any time by giving written notice to the Board 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.

**Section 4.05 Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board. 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 4.06 Duties of President**

The president shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, supervise and control the affairs of the Corporation and the activities of the officers. The president shall perform all duties incident to that office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the Board. Unless another person is specifically appointed as chairperson of the Board, the president shall preside at all meetings of the Board. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, the president 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.

#### **Section 4.07 Duties of Vice President**

In the absence of the president, or in the event of the president's 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 articles of incorporation, or by these bylaws, or as may be prescribed by the Board.

#### **Section 4.08 Duties of Secretary**

The secretary shall:

- (1) 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;
- (2) 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;
- (3) See that all notices are duly given in accordance with these bylaws or as required by law;
- (4) Be custodian of the records and of the seal of the Corporation and affix the seal, as authorized by law or the these bylaws, to duly executed documents of the Corporation;
- (5) Exhibit at all reasonable times to any director of the Corporation, or to any director's agent or attorney, on request therefor, the bylaws, and the minutes of the proceedings of the directors of the Corporation.

In general, the secretary shall perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to the secretary from time to time by the Board.

#### **Section 4.09 Duties of Treasurer**

The treasurer shall:

- (1) 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;
- (2) Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever; disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board, taking proper vouchers for such disbursements;
- (3) 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;
- (4) Exhibit at all reasonable times the books of account and financial records to any director of the Corporation, or to any director's agent or attorney, on request therefor;

(5) Render to the president and directors, whenever requested, an account of any or all of the treasurer's transactions and of the financial condition of the Corporation;

(6) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, the treasurer shall perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to the treasurer from time to time by the Board.

## **Article Five -- Committees**

### **Section 5.01 Board Committees**

The Board may, by a majority vote of its directors, designate Board Committees and may delegate to such committees the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent specified by the Board and permitted by law. Board committees shall consist of at least two directors of the Board.

The Board, by majority vote, may at any time revoke or modify any or all of the authority so delegated to the Board committees, increase or decrease but not below two (2) the number of the directors on the Board committees, and fill vacancies on the Board committees from the directors on the Board. The Board committees shall keep regular minutes of their 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 5.02 Other Committees**

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

### **Section 5.03 Meetings and Action of Committees**

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with these bylaws concerning meetings of the Board, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board or by the committee. The Board 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 these bylaws.

### **Section 5.04 Non-delegation of Fiduciary Duty**

The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon them by law.

## **Article Six -- Indemnification**

### **Section 6.01 Mandatory Indemnification**

The Corporation shall indemnify any director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer was a party because that person was a director or officer of the Corporation against reasonable expenses actually incurred by such director or officer in connection with the proceeding.

### **Section 6.02 Permissive Indemnification**

In addition to the mandatory indemnification referred to in section 6.01, the Corporation may indemnify a director or officer made a party to a proceeding because that person is an officer or director of the Corporation against liability incurred in the proceeding to the extent permitted by the Arkansas Nonprofit Corporation Act of 1993 and any amendments thereto ("the Arkansas Nonprofit Corporation Act of 1993.")

**Section 6.03 Decision to Indemnify**

The Corporation's decision to indemnify a director or officer in any particular circumstance shall be made in accordance with the Arkansas Nonprofit Corporation Act of 1993.

**Section 6.04 Advancement of Expenses**

The Corporation may pay for or reimburse the reasonable expenses of a director or officer who is a party to a proceeding in advance of final disposition of the proceeding in accordance with the procedures and standards set forth in the Arkansas Nonprofit Corporation Act of 1993.

**Section 6.05 Indemnification of Employees and Agents**

The Corporation may indemnify and advance expenses to officers, employees and agents of the Corporation the same extent that it indemnifies and advances expenses to directors.

**Article Seven -- Execution of Instruments, Deposits, and Funds**

**Section 7.01 Execution of Instruments**

The Board, 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 or agent 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 7.02 Checks and Notes**

Except as otherwise specifically determined by resolution of the Board, 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 7.03 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 may select.

**Section 7.04 Gifts**

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

**Section 7.05 Loans**

The Corporation may not lend money to or guaranty the obligation of a director or officer of the Corporation.

**Section 7.06 Annual Financial Statements**

Complete financial statements, shall be presented to and reviewed by the Board after the close of each fiscal year.

**Article Eight -- Corporate Records, Reports, and Seal**

**Section 8.01 Maintenance of Corporate Records**

The Corporation shall keep at its principal office:

- (1) Minutes of all meetings of the Board 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;
- (2) 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;
- (3) A copy of the Corporation's articles of incorporation and bylaws as amended to date.

**Section 8.02 Corporate Seal**

The Board 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 8.03 Director's 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 the Corporation as may be required under the articles of incorporation, these bylaws, or other law.

**Section 8.05 Right to Copy and Make Extracts**

Any inspection under the 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 8.06 Periodic Report**

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

**Article Nine -- IRC 501(c)(3) Tax Exemption Provisions****Section 9.01 Limitations on Activities**

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and the 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.

Notwithstanding these bylaws, the 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 9.02 Prohibition Against Private Inurement**

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, directors, trustees, 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 the Corporation.

**Section 9.03 Distribution of Assets**

Upon the dissolution of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the 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 laws of Arkansas.

**Article Ten -- Conflict of Interest and Compensation Approval Policies****Section 10.01 Purpose of Conflict of Interest Policy**

The purpose of this conflict of interest policy is to protect the 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 which might result in a possible "excess benefit transaction" as defined under the Internal Revenue Code and any applicable 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 10.02 Definitions**

(1) Interested Person. Any director, principal officer, member of a committee with Board delegated powers, or any other person who is a "disqualified person" as defined under the Internal Revenue Code and any applicable IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(2) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

(b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

(c) 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.

(3) Compensation. Direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(4) Conflict of Interest. A financial interest is not necessarily a conflict of interest. Under Section 10.03(b) of these bylaws, a person who has a financial interest may have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

## **Section 10.03 Conflict of Interest Avoidance Procedures**

(1) 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 Board and any committees with board-delegated powers considering the proposed transaction or arrangement.

(2) 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, the interested person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board or committees shall decide if a conflict of interest exists.

(3) Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the Board or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(a) The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(b) After exercising due diligence, the 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.

(c) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors or committee members 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.

(4) Violations of the Conflicts of Interest Policy.

(a) If the Board or committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Section 10.04           Records of Board and Board Committee Proceedings**

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

- (1) 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 Board's or committee's decision as to whether a conflict of interest in fact existed.
- (2) 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 10.05           Compensation Approval Policies**

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

(2) 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.

(3) No voting member of the 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.

(4) 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 directors of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as defined under the Internal Revenue Code and any applicable IRS Regulations.

(5) The Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation.

(6) 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.

**Section 10.06           Annual Statements**

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

- (1) has received a copy of the conflicts of interest policy;
- (2) has read and understands the policy;
- (3) has agreed to comply with the policy; and

(4) 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 10.07 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:

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

**Section 10.08 Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 10.07 of these bylaws, the Corporation may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**Article Eleven -- Amendment of Articles of Incorporation and Bylaws**

**Section 11.01 Amendment**

The Corporation's articles of incorporation or bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the Board at any meeting called in accordance with Section 2.06 of these bylaws. Notice of such meeting shall state that the purpose, or one of the purposes, of such meeting is to consider a proposed amendment to the articles of incorporation and/or bylaws as the case may be, and shall be accompanied by a copy or summary of the amendment(s) or state the general nature of the amendment(s).

**Article Twelve -- Construction and Terms**

**Section 12.01 Construction and Terms**

If there is any conflict between the Corporation's bylaws and the articles of incorporation, the articles of incorporation shall govern.

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.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation filed with an office of Arkansas and used to establish the legal existence of the Corporation.

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 sections of any future federal tax code.