

**Bylaws of
Pacific Community Association**

Pacific Community Association

Article 1 - Name of the Corporation & Offices

Section 1 - Name of the Corporation

This corporation shall be known as Pacific Community Association, dba, Pacific Partnerships, herein after is also referred to as corporation and/or organization.

Section 2 - Principal Office

The principal office of the corporation will be located at the following address: PO Box 256, Pacific, WA 98047-0255, County of King and State of Washington.

Section 3 - 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 shall not be deemed, nor require, an amendment of these Bylaws:

1. New Address: _____

Dated: _____

2. New Address: _____

Dated: _____

Section 4 - 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 - Non Profit Purposes

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

This corporation is organized exclusively for charitable, religious, educational, and/or scientific purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code.

Section 2 - Specific Objectives and Purposes

This corporation is a non-profit organization with an objective to facilitate and develop a sense of community pride and improve the quality of life in the City of Pacific.

Article 3 – Directors

Section 1 - Number

The corporation shall have a minimum of three directors and collectively they shall be known as the Board of Directors.

Section 2 - Qualifications

Directors of corporation shall qualify the age or any other specific requirement that may be in force in this state at any given point of time.

Section 3 - Powers

The Board of Directors of corporation shall conduct all the activities and affairs of this corporation and also exercise all corporate powers, subject to the provisions of the laws of this state, the Articles of Incorporation and these Bylaws.

Section 4 - Duties

- a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation 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 this 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 addresses with the Secretary of the corporation, and notices of meetings mailed, emailed, telegraphed or faxed to them at such addresses shall be valid notices thereof.

Section 5 - Term of Office

Each Director shall hold office for a period of five years and until his or her successor is elected and qualifies.

Section 6 - Compensation

Directors shall not receive any compensation for their services, except that each Director is entitled to receive from the Corporation reimbursement of expenses incurred by the Director in the furtherance of the Corporation's business. Nothing contained in this Section shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for that service. In such a scenario, the salaried individuals will not vote on their own compensation and compensation decisions will be made by the unrelated board members.

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 of Directors.

Section 8 - Regular Meetings

Regular meetings of the Board of Directors shall be held once in a year. The Board of Directors shall decide the date, time and venue from time to time. If this corporation makes no provision for members, then, one meeting every five years shall be designated to elect the new Board of Directors. Voting for the election shall be by written ballot. Each director shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidates receiving the highest number of votes up to the number of directors to be elected shall be eligible to serve on the board.

Section 9 - Special Meetings

Special meetings of the Board of Directors may be called by the Chairperson of the Board, the President, the Vice President, the Secretary, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the persons calling the special meeting.

Section 10 - Notice of Meetings

The procedure to be followed is as below unless the Articles of Incorporation, these Bylaws or the laws of this state require otherwise.

- a) Regular Meetings – Notice shall be sent by regular post, by e-mail, or by facsimile machine at least three weeks in advance. In the case of facsimile notification, the director to be contacted shall acknowledge personal receipt of the notice by a return message or telephone call within twenty- four hours of the first facsimile transmission.
- b) Special Meetings - Notice shall be sent by regular post, by e-mail, or by facsimile machine at least one week in advance. In the case of facsimile notification, the director to be contacted shall acknowledge personal receipt of the notice by a return message or telephone call within twenty- four hours of the first facsimile transmission.
- c) Waiver of Notice - Whenever any notice of a meeting is required to be given to any director of this corporation, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 11 - Quorum for Meetings

A quorum shall consist of a majority of the Board of Directors of the corporation serving office at any given time and shall not be less than one third of the number of directors in office. The Board shall not conduct any business at any meeting at which the required quorum is not present. The only motion, which the Chair shall entertain, is a motion to adjourn.

Section 12 - 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 Articles of Incorporation, these Bylaws or the laws of this state require otherwise.

Section 13 - 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 corporation shall act as the secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as the Secretary of the Meeting. Procedures for the conduct of meeting shall be amended or revised from time to time by a resolution of the Board of Directors.

Section 14 - Vacancies

Vacancies on the Board of Directors of corporation shall exist

- a) On the death, resignation or removal of any director,
- b) Whenever the number of authorized director is increased.

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 the notice of the Attorney General or other appropriate agency of this state. Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Section 15 - Non-liability of Directors

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

Section 16 - Indemnification by Corporation of Directors and Officers

The directors and officers are indemnified to the fullest extent permissible under the laws of this state.

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. The Board of Directors shall decide from time to time, whether to have new officers with new designations.

Section 2 - Qualifications

The officers of the corporation shall qualify the age or any other specific requirement that may be in force in this state at any given point of time

Section 3 - Election and Term of Office

The Board of Directors shall elect officers at any time, and each officer shall hold office for a maximum period of three years or until he or she resigns or is removed by the Board of Directors or is otherwise disqualified to serve before the end of the term.

Section 4 - Duties of President

The President shall be the chief executive officer of 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 Articles of Incorporation or by these Bylaws or which may be prescribed from time to time by the Board of Directors. The President by virtue of his post shall function as the Chairperson of the Board of Directors and shall preside at all the meetings of the Board of Directors. Except as otherwise mentioned by the Articles of Incorporation or by these Bylaws or expressly provided by law, 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 5 - Duties of Vice President

The Vice President of the corporation shall become the acting President of the corporation in the event of the absence, inability or refusal of the President to exercise his or her duties and shall have all the rights, privileges and powers as if he or she had been a duly elected President.

Section 6 - Duties of Secretary

The Secretary of the corporation shall:

- a) Certify and keep at the principal office, the original, or a copy of these Bylaws as amended or otherwise altered to date.
- b) Keep the record of the minutes of the meetings of the directors with details of whether special or regular, how called, how notice thereof was given, the names of those present or represented and the proceedings thereof.
- c) Be custodian of all the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation.
- d) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney on request thereof, the Bylaws and the minutes of the proceedings of the directors of the corporation.
- e) Perform all duties incident to the office of the 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 him or her from time to time by the Board of Directors.

Section 7 - Duties of Treasurer

The Treasurer of the corporation shall:

- a) Have charge 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 the transactions.
- d) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of assets, liabilities, receipts, disbursements, gains and losses.
- e) Exhibit at all reasonable times the books of account of any or all of his or her transactions as Treasurer and financial records to any director of the corporation, or to his or her agent or attorney, on request thereof.
- f) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

- g) Perform all duties incident to the office of the 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 him or her from time to time by the Board of Directors.

Section 8 - Compensation

Officers of the Corporation shall not receive any compensation for their services, except that each officer is entitled to receive from the Corporation reimbursement of expenses incurred by the officer in the furtherance of the Corporation's business.

Article 5 – Membership

Section 1 – Eligibility for Membership

Application for voting membership shall be open to any current resident, property owner, business operator or employee of the city of Pacific that supports the following purpose: Pacific Community Association, dba, Pacific Partnerships is organized exclusively for charitable and civic purposes. The purpose of this corporation is to facilitate and develop the sense of community pride and improve the quality of life in the City of Pacific. To this end, the corporation shall at all times be operated exclusively for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code. All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes.

Membership is granted after completion and receipt of a membership application and annual dues. All memberships shall be granted upon a majority vote of the Board of Directors.

Section 2 – Annual Dues

The amount required for yearly dues shall be \$12 each year, unless changed by a majority vote of the members at an annual meeting of the full membership. Continued membership is contingent upon being up-to-date on membership dues.

Section 3 – Rights of Members

Each member shall be eligible to cast one vote in association elections. No member or director shall have any right, title or interest in or to any property of the corporation. Each eligible member shall be eligible to appoint one voting representative to cast the member's vote in association elections.

Section 4 – Resignation and Termination

Any member may resign by filling a written resignation with the Secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued. A member can have their membership terminated by a majority vote of the membership.

Section 5 – Non-Voting Membership

The board shall have the authority to establish and define non-voting categories of membership.

Article 6 – Meetings of Members

Section 1 – Regular Meetings

Regular meetings of the members shall be held quarterly, at a time and place designated by resolution of the Board of Directors.

Section 2 – Annual Meetings

An annual meeting of the members shall take place every year, and the specific date, time and location of which will be designated by the resolution of the Board of Directors. At the annual meeting the members shall elect directors and officers, receive reports on the activities of the corporation, and determine the direction of the association for the coming year.

Section 3 – Special Meetings

Special meetings may be called by the Board of Directors, the Executive Committee, or a simple majority of the Board of Directors, or, different, by the person specifically authorized under the laws of this state to call special meetings of the members.

Section 4 – Notice of Meeting

Printed notice of each meeting shall be given to each voting member, by mail, not less than two weeks prior to the meeting.

Section 5 – Quorum

The members present at any properly announced meeting shall constitute a quorum.

Section 6 – Voting

All issues to be voted on shall be decided by a simple majority of those present at the meeting in which the vote takes place.

Article 7 - Execution of Instruments, Deposits and Funds

Section 1 - Execution of Instruments, Deposits and Funds

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.

Article 8 - IRC 501(c) (3) Tax Exemption Provisions

Section 1 - Limitations on Activities

No substantial part of the activities of this corporation shall be for propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on or behalf of, or in opposition to, any candidate for public office. 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 corporation shall inure to the benefit of, or be distributable to, its members, directors or 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 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.

Section 4 - Private Foundation Requirements and Restrictions

In any taxable year in which the corporation becomes a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation

- a) Shall distribute its income for said period at such time and manner as not to subject to tax under Section 4942 of the Internal Revenue Code;

- b) Shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code;
- c) Shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code;
- d) Shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code;
- e) Shall not make any taxable expenditure as defined in Section 4945(d) of the Internal Revenue Code.

Article 9 - Conflict of Interest Policy

Section 1 – Purpose

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 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:

- 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.

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, a person who has a financial interest may have a conflict of interest only if the appropriate the Board of Directors 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 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/she shall leave the Board of Directors 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.

An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

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

After exercising due diligence, the Board of Directors 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors 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.

If the Board of Directors 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.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors 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 Board of Directors 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 decision of the Board of Directors or committee 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 Board of Directors 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 Board of Directors 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 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 compensation arrangement
 3. does not receive compensation or other payments subject to approval by the person who is the subject of 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 and 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 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 payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 8 – Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Article 10 - Amendment of Bylaws

Section 1 - Amendment

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

Article 11 - Construction and Terms

- a) If there is a conflict between the provisions of these Bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern.
- b) If any of the provisions or provisions 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 Articles of Incorporation shall be to the Articles of Incorporation or any other founding document 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 section 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 directors or incorporators of the corporation and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of preceding twenty four pages, as the Bylaws of this corporation.

Dated:

Names and Signatures of Directors:

Kathleen M. Smith

Marlene M. Jorge

Arlene Hatten

Joseph F. Hatten

Darrel Smith

Dennise Osborne