

AMENDED BYLAWS OF KESSLER NEIGHBORS UNITED STRUCTURE AND PURPOSES

1. **Structure:** Kessler Neighbors United (the "Corporation" and formerly known as "Kessler Neighbors Unlimited") is a non-profit corporation under the laws of the State of Texas organized under Section 22 of the Texas Business Organizations Code (the "Act"). The Articles of Incorporation of the Corporation (as amended from time to time, the "Articles of Incorporation") were filed in the office of the Secretary of State of the State of Texas on July 9, 1999 and amended April 1, 2002.

2. **Purposes:** The purposes for which the Corporation is organized and is to be operated are exclusively charitable and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. In accomplishment of such purposes, the Corporation will educate its members on issues of public safety, traffic safety, crime reduction, and the importance of care and preservation of publicly owned spaces within an urban neighborhood environment, and the Corporation will serve as a communications center for coordination of such charitable and educational activities and purposes and will perform such other functions as may be necessary or appropriate to fund, support and fulfill the educational and charitable purposes of the Corporation.

3. **Principal Place of Business:** The principal place of business of the Corporation is located at P.O. Box 225947, Dallas, Texas 75208. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors ("Board") may determine or as the affairs of the Corporation may require from time to time.

4. **Registered Office and Registered Agent:** The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation's registered office, as required by the Act. The registered office may, but need not, be identical to the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board in accordance with applicable law. The Corporation's registered office is 800 Brazos, Suite 400, Austin, Texas, 78701, and the name of the initial registered agent at such address is Capitol Corporate Services, Inc.

MEMBERSHIP

5. **Members:** The Corporation shall have only one class of members. A Member of the Corporation shall be any adult permanent resident of the "KNU area" (such area having been previously defined in the Articles of Incorporation of the Corporation). The member need not own his or her home located within the KNU area, nor hold a lease thereto, so long as such residence is lawful.

6. **Privileges of Membership:** Membership privileges include participation in the Annual Membership Meeting and in the activities of the Corporation and such other privileges as may be determined by the Board.

7. **Voting:** All members that have paid annual dues in full as of the time of the vote are entitled to one vote upon each matter submitted to a vote at the Annual Membership Meeting and at any other membership meetings of the Corporation. Absentee or proxy votes shall not be permitted.

8. **Residency Requirement:** No person will be elected or appointed or shall continue to serve as an Officer of the Corporation unless such person is a permanent resident of the KNU area.

9. **Dues Levels:** The Board will specify one or more levels of dues and the benefits accruing to each level if more than one level is specified.

10. **Dues Payment:** Dues are payable annually but are voluntary. Other than voting, Members may continue to participate in activities of the Corporation regardless of any nonpayment of dues, so long as they continue to be a permanent resident of the KNU Area. If more than one level of dues is established, members may change their level of dues at any time, but no such change shall result in a refund or credit for dues previously paid.

ANNUAL MEETINGS

11. **Date and Purpose:** Annual meetings of the members (the "Annual Membership Meeting") must be held on the Thursday evening prior to Thanksgiving Day of each year, unless, for cause, some other date is designated by the Board. The purpose of the Annual Membership Meeting shall include the annual election of Officers of the Corporation.

12. **Special Membership Meetings:** Special meetings of the membership may be called at any time by the Secretary of the Corporation upon receipt of the written request of the President, a resolution of the Board requesting such meeting, or the written request of not less than 100 members. Such meetings may be held at a date, time and place as designated by the person or persons calling such meeting. If no designation is made, the Secretary will designate the date, time, and place.

12.1 **Meetings by Remote Technology:** All annual and special meetings of the Association shall be held at a suitable and convenient location permitted by law and fixed by the Board from time to time and designated in the notices of the meeting. Notwithstanding the foregoing, and subject to the Texas Business Organization Code and these Bylaws, the Association may hold annual and/or special and regular meetings of the Association by means of conference telephone or similar communication equipment, including video conferencing technology or the internet, or any combination thereof, by which all person participating in the meeting can communicate with all other persons in the meeting. If voting is to take place at the meeting, the Association must (a) implement reasonable measures to verify the every person voting at the meeting by means of remote communications is sufficiently identified; and (b) keep a record of any vote or other action taken. Participation in a meeting by conference telephone or similar communication or video conference technology or the internet shall constitute presence in person at such a meeting except where a Member participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

13. **Open Attendance :** All Annual Membership Meetings and special meetings will be open to the entire membership of the Corporation.

14. **Business Conducted:** At each Annual Membership Meeting, any business may be transacted that is within the powers of the Corporation without notice of the purpose of such meeting, except as required by law, the Articles of Incorporation, or these Bylaws.

15. **Notice of Annual Membership Meeting:** Notice of each Annual Membership Meeting and any special meetings of the members must be given by personal delivery, by email transmission, or by regular mail or facsimile transmission to every known member or household not less than ten (10) nor more than sixty (60) days before the date of such meeting. Such notice shall state the date, time, and place of the meeting.

16. **Special Meeting Notice:** Notice of any special meeting must state the purpose or purposes for which the meeting is called.

17. **Waiver of Notice:** Notice of any meeting need not be given to any member who, in writing, has submitted a request to the Corporation that he or she not be communicated with or, more specifically, waiving such notice.

18. **Presumed Notice:** Proper and sufficient notice of any meeting will be deemed to have been given to any member who attends such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

OFFICERS

19. **Number; Titles; Term of Office:** The Officers of the Corporation will consist of a President, a Vice-President, a Secretary, and a Treasurer elected at the Annual Membership Meeting. If there is no candidate for an office at the time of election at the Annual Membership Meeting, then that office shall continue to be occupied by the person holding such office immediately prior to such Annual Membership Meeting, or, if such person is unwilling to continue to hold such office, then said office shall become vacant and shall be later filled as stated in the provisions on filling vacancies stated below. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary may not be held by the same individual. Except for those Officers elected at the Corporation's Organization Meeting held pursuant to Section 3.05 of the Act (the "Organization Meeting"), the term of office for each Officer will be two (2) years. The term of office for those Officers elected pursuant to the Organization Meeting will be that period of time beginning on the date of the Organization Consent and ending on the date of the first Annual Membership Meeting. In any event, a duly elected Officer may serve in the office to which he or she is elected until his or her successor has been duly elected or appointed, or until his or her earlier death, resignation, or removal.

20. **Removal of Officers:** Any Officer may be removed by a two-thirds vote (2/3) vote of the Board then in office after due notice of such potential action to the Officer in question and to all other

members of the Board, but such removal will be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an Officer shall not of itself create contract rights.

21. **Vacancy in Office of President:** Any vacancy occurring in the office of President shall be filled by the Vice-President, thereby creating a vacancy in the office of Vice- President to be filled by appointment and confirmation as provided immediately below.

22. **Vacancies in Other Offices:** Any vacancy occurring in any office of the Corporation (except that of President) may be filled by appointment by the President and confirmation by a majority of the Board.

23. **Powers and Duties of the President:** A candidate for the office of President must have a minimum of one (1) year of service on the board as either an officer or Chair of a Standing Committee, and not be disqualified by prior determinations of the Board. The President shall preside at all meetings of the Board and will have such other powers and duties as may be assigned to such Officer in these Bylaws or from time to time by the Board. The President will be the Chief Executive Officer of the Corporation and Chief Volunteer. Subject to control of the Board, the President will have general executive charge, management, and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; will have the authority to agree upon and execute all leases, contracts, evidences of indebtedness, and other obligations in the name of the Corporation subject to the approval of the Board; may sign in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; will have charge of the Corporation's books, records, documents, and instruments, and such other books and paper as the Board may direct, all of which must be open at reasonable times to the inspection of any director upon application at the Corporation's office during business hours, or at such other reasonable time and place; and duties as may be designated in these Bylaws and as may be assigned to such Officer from time to time by the board.

24. **Powers and Duties of a Vice-President:** The Vice-President will have such powers and duties assigned to such Officer in these Bylaws or by the Board including the performance of the duties of the President upon the death, absence, resignation, or removal of the President, or upon the President's inability to perform the duties of such office. Any action taken by the Vice-President in the performance of the duties of the President will be conclusive evidence of the President's absence or inability to act at the time such action was taken.

25. **Powers and Duties of the Treasurer:** The Treasurer will have custody of all the Corporation's funds and securities that come into such Officer's hands. When necessary or proper, the Treasurer may endorse or cause to be endorsed, in the name and on behalf of the Corporation, checks, notes, and other obligations for collection and shall deposit or cause to be deposited the same to the credit of the Corporation in such bank or banks or depositories and in such manner as shall be designated and prescribed by the Board; may sign or cause to be signed all receipts and vouchers for payments made to the Corporation either alone or jointly with such other Officer as may be designated by the Board;

whenever required by the Board, must render or cause to be rendered a statement of the cash account; must enter or cause to be entered regularly in the Corporation's books to be kept by such Officer for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; must provide monthly profit and loss statements, monthly accounts statements, and annual reports to the Corporation's certified public accountant; and must assist the Corporation's certified public accountant in filing an annual 501(c)(3) tax return with the Internal Revenue Service. The Treasurer will perform all acts incident to the position of Treasurer subject to the control of the Board; and must, if required by the Board, give such bond for the faithful discharge of such Officer's duties in such form as the Board may require.

26. Powers and Duties of the Secretary: The Secretary will keep the minutes of all meetings of the Board; in furtherance of the Corporation's purposes and subject to the limitations contained in the Articles of Incorporation, may sign with the President in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; will have charge of the Corporation's books, records, documents, and instruments, except the books of account and financial records and securities of which the Treasurer will have custody and charge, and such other books and papers as the Board may direct, all of which must be open at reasonable times to the inspection of any director upon application at the Corporation's office during business hours, or at such other reasonable time and place as the Secretary may designate; and will in general perform all duties incident to the office of Secretary subject to the control of the Board.

27. Compensation of Officers: The Officers may not receive compensation for the services they render to the Corporation as such, but the Board may authorize reimbursement for expenses incurred by any Officer in connection with the performance of his or her duties. Nothing herein shall be construed to preclude any Officer from serving the Corporation in any other capacity and receiving compensation for such services if approved in advance by the Board.

28. Term Limits: No Officer shall serve more than two (2) consecutive terms in any office of the Corporation. This provision shall not preclude an incumbent Officer from seeking reelection to a third term if there are no candidates for the Office at the Annual Meeting and the incumbent is duly reelected at the Annual Meeting.

BOARD OF DIRECTORS

29. Number of Directors: The Board shall consist of not fewer than three persons as determined from time to time by resolution of the Board (provided that no decrease in the number of Directors which would have the effect of shortening the term of an incumbent Director may be made by the Board). The Board shall consist of each Officer then in office and each Standing Committee or project chair appointed by the President and approved by a majority vote of the Officers of the Corporation (all such officers and chairs being collectively referred to herein as "Directors" or "members of the Board of Directors"). Resignation by a committee or project chair shall call for appointment and approval of a replacement chair (per Section 36 below).

30. **Management:** The affairs and the property of the Corporation will be managed by the Board. The Directors must act only as a Board and individual Directors will have no power as such except as may be otherwise provided by these Bylaws. Without limiting the foregoing, the Board will determine the Corporation's policies, approve the Corporation's programs and accompanying budgets, authorize investments, set aside any surplus funds, continue or terminate special reserve funds, authorize any additional financial changes which it deems advisable in light of future program and budget needs, determine the Bylaws and any amendments thereto, fill vacancies in the Board and any office (except in the office of President, which will be filled by the Vice President as provided in Section 21 hereof), and establish standing and ad-hoc committees.

31. **Meetings:** Regular meetings of the Board (which may be termed "Board Meetings" or "Executive Committee Meetings" the two expressions having the same meaning herein) must be held at least four times a year (one of which will be within sixty (60) days following the Annual Membership Meeting) as determined by the Board. The meeting notice must specify the date, time and place of the meetings, as specified by the President. The first meeting of the Board following each Annual Membership Meeting will be the annual meeting of the Board.

32. **Notice of Board Meetings:** Notice of every meeting of the Board must be given to each Director either personally or by regular mail, electronic/internet mail, or facsimile transmission not less than three (3) days before the date of the meeting. Such notice need not state the purpose or purposes for which the meeting is called but must state the date, time and place where the meeting is to be held. Notice need not be given to any Director who, in writing, has executed and filed with the Secretary of the Corporation, either before or after such meeting, a waiver of such notice. Proper and sufficient notice of any meeting will be deemed to have been given to any Director who attends such meeting, except where such Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

33. **Quorum:** At all meetings of the Board, the presence of at least two Officers and one official committee or project chairs, will be necessary and sufficient to constitute a quorum. Except as otherwise provided by law, the Articles of Incorporation or by these Bylaws, the act of a majority of the Directors present will be the act of the Board.

34. **Resignation and Removal of Members of the Board of Directors:** Any member of the Board may be removed at any duly called meeting of the Board by a vote of two-thirds (2/3) of the Board then in office after due notice of such potential action to the individual in question and to all other members of the Board. Any member of the Board may resign at any time by filing written notification with the Secretary of the Corporation. Any vacancy among the non-officer Directors shall be filled as provided in Section 36 below. Any Board member removed by a majority of the Board may no longer serve in any capacity thereafter, unless otherwise determined by the Board.

35. **Emergency Powers:** In the event of a lack of quorum due to unavoidable circumstances or crisis, the President may assume special powers to conduct business without board approval until such time as a quorum can be assembled. These powers are limited to circumstances where; there are not enough officers appointed by the President and confirmed by the Board to provide quorum; and

emergency situations at the local/state/national/international level require immediate action on matters of law.

COMMITTEES

36. **Standing Committees:** The Board shall establish and maintain a list of Standing Committees (including major projects), the members of which shall come from the membership of the Corporation, and which shall be chaired by one (or, if applicable, two) individual(s), who shall hold membership on the Board by virtue of such chair or co-chair position. The duties and responsibilities of each Committee will be performed in accordance with the Board's written description and responsibilities for the Committee. Chair positions for the coming year shall be nominated by the President upon his or her election to office, with the approval of at least two other elected Officers. Thereafter, any vacancies in the chair position for a committee shall be filled by appointment by the President and confirmation by a majority of the Board of Directors, at which point the newly appointed and confirmed chair shall automatically become a member of the Board of Directors. Chairs must prepare written monthly committee reports prior to each monthly Board meeting describing the Committee's previous monthly activities. Examples of Standing Committees shall be the Beautification Committee, the Fund Raising Committee, the Communications Committee, the Holiday Lights Committee, the Conservation Committee, the Streetscapes Committee, and the Traffic Committee.

37. **Board Ad Hoc Committees:** The Board of Directors may from time to time designate Directors and other members of the organization to constitute a special ad hoc committee that will have and may exercise such powers as the Board may determine in the resolution that creates the committee. The Board may appoint individuals who are not Directors to any such committee, but a majority of any such ad hoc committee members must be Directors if such committee exercises the authority of the Board in the management of the Corporation. Other committees, not having and exercising the authority of the Board in the management of the Corporation, may be designated, with members appointed by a resolution adopted by the Board or appointed by the President, if authorized by a resolution of the Board or by these Bylaws. Membership of such committees may, but need not, be limited to Directors. The chair of an ad hoc committee shall not become a Director solely by virtue of such ad hoc committee chairmanship.

38. **Nominations Committee:** As provided in Section 37 above, the Board shall designate an ad hoc committee entitled the Nominations Committee during each year for which there is an Officer election to serve no later than 90 days prior to the Annual Meeting. The primary duties of the Nominations Committee shall be to actively solicit, identify, and screen qualified candidates for Officer positions on the Board in order to ensure strong Board leadership continuity. The Nominations Committee shall perform its responsibilities in an open and transparent manner, timely, and comprehensive manner, carefully evaluating and screening all qualified candidates prior to the Annual Meeting. It is the nominating committee's duty to manage the leadership succession process on behalf of the Board, not to anoint new Officers. The committee shall be composed of three members, two active Members of the Board and one non-Board member of the Corporation, each of which must not be seeking election or reelection to any office at that year's Annual Meeting. The

three committee members shall be elected by a majority vote of the Board. The Nominations Committee shall meet as frequently as the committee deems necessary. Potential Officer candidates shall be solicited by the Nominations Committee via the Corporation's email newsletter. The Nominations Committee may also post a notice seeking Officer candidates on its website. If there are no announced candidates for any offices after solicitation of same, the Nominations Committee shall prepare a slate of qualified candidates to stand for election at the Annual Meeting. No later than five (5) weeks prior to the Annual Meeting and board election, the Nominations Committee shall announce via the Corporation's email newsletter the upcoming Annual Meeting and Officer elections, the names of all known qualified candidates for each office, and include brief candidate profiles, if available. The Nominations Committee shall present all qualified candidates for each office at the Annual Meeting. One member of the Nominations Committee, selected by said committee, shall preside over the election of Officers at the Annual Meeting with the assistance of other members of the committee. Election of each Officer shall be conducted utilizing paper ballots which shall be counted and canvassed by members of the Nominations Committee immediately after the election. The election results shall be announced at the Annual Meeting.

39. **Procedures; Meetings; Quorum:** Any Standing Committee created by the Board or these Bylaws, unless otherwise expressly provided herein, will (a) have a chair designated as set forth above, (b) fix its own rules or procedures, (c) meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board, and (d) keep regular minutes of its meetings and cause such minutes to be recorded in books kept by the Secretary of the Corporation, and report the same to the Board at its next succeeding meeting. At every meeting of any such committee, the presence of a majority of all the active members thereof will constitute a quorum, and the affirmative vote of a majority of the members present will be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures, these Bylaws, or by the Board.

40. **Removal of Committee Chairs, Members or other Agents:** Any Standing Committee chair or member, or any other agent of the Corporation, may be removed by a two-thirds (2/3) vote of the Board then in office after due notice of such potential action to the individual in question and to all other members of the Board, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Appointment of a Standing Committee chair or member or of an agent of the Corporation will not of itself create contract rights.

REPRESENTATIVE AND OTHER NON-VOTING BOARD POSITIONS

41. **Non-Voting Representatives:** The Board of Directors may from time to time designate by majority vote members of the organization to serve in certain non-board positions.

MISCELLANEOUS PROVISIONS

42. **Fiscal Year:** The Corporation's fiscal year will be the calendar year, beginning on January 1 and ending on December 31 of each year.

43. **Seal:** The Corporation's seal, if any, must be such as may be approved from time to time by the Board of Directors.

44. **Notice and Waiver of Notice:** Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice will be deemed to be delivered when deposited in the United States Mail in a sealed postpaid wrapper addressed to the person entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice will be deemed to have been given on the date of such mailing. If transmitted by facsimile or email, such notice will be deemed to be delivered upon successful transmission thereof. A Director may waive notice of any meeting. The attendance of a Director at any meeting will constitute a waiver of notice of such meeting unless such attendance is for the purpose of objecting to the failure of notice. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, will be deemed equivalent to notice.

45. **Resignations:** Any director, officer, or committee member may resign at any time. Such resignation must be made in writing and will take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation will not be necessary to make it effective, unless expressly so provided in the resignation.

46. **Action Without a Formal Meeting of the Board or Committees:** Any action required by law or these Bylaws to be taken at a meeting of the Board, or at a meeting of any committee, or any action which may be taken at a meeting of the Board, or of any committee thereof, may be taken without such a meeting if a consent in writing, setting forth the action to be taken, is signed by all of the Directors, or members of the committee, as the case may be. Such consent will have the same force and effect as a unanimous vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State. Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Articles of Incorporation or these Bylaws, Directors or members of any committee may participate in, and hold a meeting of, such Board, or committee, as the case may be, by means of a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in such meeting will constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Proposals for Board action may be circulated by the President to all Directors via facsimile, regular mail, and/or email, and a vote may be recorded by written response of a majority of the Board.

INDEMNITY

47. **Indemnification of Directors and Officers:** The Corporation will indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director or Officer of the Corporation, or both, and may indemnify (which indemnification may include, without limitation, advancing reasonable expenses) any person who is or was an employee, or agent of the Corporation (or any person who is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another corporation, partnership, joint

venture, trust, or other enterprise) to the fullest extent required or permitted by applicable law. In addition, the Corporation shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) to the fullest extent permitted by law such other persons as the Board may determine from time to time. The Corporation has the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by applicable law, Whether or not the Corporation would have the power to indemnify such person under the foregoing provisions. Any amendment to this provision will be prospective and may not reduce or eliminate the right of any person to indemnification hereunder with respect to any act or failure to act occurring on or prior to the date of any such amendment.

INTERNAL REVENUE CODE SECTION 501(C)(3) TAX EXEMPTION PROVISIONS

48. **Public Inspection of Evidence of Nonprofit Status:** The Corporation's exemption application, any letters or documents issued by the Internal Revenue Service concerning the exemption application, and all annual information returns will be available for public inspection at the principal office during regular business hours (or at any other time and place as may be mutually agreed to) pursuant to Section 6104(d)(1)(A) of the Code and Regulations 301.6104(d)-3(d)(1)(i) thereunder. Any inspecting individual may freely take notes and may photocopy any of the documents. Such copies will be provided for a reasonable fee as provided in Regulation 601.702(f)(5)(iv)(B) of the Code. Absent unusual circumstances, any such requests will be fulfilled on the day the requests are made, but in no case will such requests be fulfilled later than five (5) days after the date of the request pursuant to Regulation 301.6104(a)-3(d)(ii).

49. **Internet Publication:** The Board can, at its discretion, make such information widely available through publication of such documents on the Internet. In the event of such wide availability, pursuant to Regulation 301.6104(d)-4, the Corporation will not be required to comply with requests for copies but will nonetheless maintain the availability of in-person public inspection as described in the preceding paragraph and in compliance with all applicable state law.

CONFLICTS OF INTEREST POLICY

50. **Purpose:** The purpose of the conflicts 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. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

51. **Definitions:**

Interested Person: Any Director, Officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

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 substantial in nature. A financial interest is not necessarily a conflict of interest. A person who has a financial interest in a transaction or arrangement to be considered shall be deemed to have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists, or if such person acknowledges the existence of such conflict of interest.

52. **Duty to Disclose:** In connection with any actual or possible conflicts of interest, an interested person who does not acknowledge such conflict of interest must nevertheless disclose the existence of his or her financial interest in the designated transaction or arrangement and must be given the opportunity to disclose all material facts to the Board and, if appropriate, to the members of committees with Board delegated powers to consider the proposed transaction or arrangement. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person must leave the Board meeting or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members will decide if a conflict of interest exists.

53. **Procedures for Addressing the Conflict of Interest:** A Director or committee member with a conflict of interest may make a presentation at the Board or committee meeting, but after such presentation, such person must leave the meeting during the discussion of, and the vote on, the transaction or arrangement related to the conflict of interest.

- The Chairman of the Board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board or committee will determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the Board or committee will determine by a majority vote of the disinterested Directors or committee members whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and will make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it will inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose such financial interest and potential conflict of interest. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Director or member in question has in fact failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

54. **Records of Proceedings:** The minutes of the Board and all Board committees with Board delegated powers must contain:

- 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; and 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 therewith.

55. **Annual Statements:** Each Director, Officer, and member of a committee with Board delegated powers must sign a statement which affirms that 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 that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.


56. **Periodic Reviews:** To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews must be conducted.

57. **Use of Outside Experts.** In conducting the periodic reviews, the Corporation may, but need not, use outside advisors. If outside experts are used, their use will not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.


58. **Amendments:** These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the Board of the Corporation at any meeting.

Approved by the Kessler Neighbors Board of Directors originally on May 16th 2005, and Amended on October 20, 2011, March 28, 2013, October 24, 2013, September 27, 2016, June 25, 2018, September 28, 2020, and November 7, 2022.

Verified by Signature of the undersigned officers of the organization:



John J. Crowley
President
Date: 11/7/22



Celina Buchanan
Secretary
Date: 11/7/22