November 12, 2020

AMENDED AND RESTATED BYLAWS OF TRAVAUX, INC.

Travaux, Inc., a nonstock, nonprofit corporation organized and existing under the laws of the State of Wisconsin (the "Corporation"), hereby adopts the following bylaws (these "Bylaws"):

ARTICLE I
PURPOSE

The Corporation is organized and shall be operated exclusively for purposes within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended or the corresponding provisions of any future United States Internal Revenue Law (hereinafter the "Code") and to further the statutory objectives of the Housing Authority of the City of Milwaukee ("the Housing Authority") and the Redevelopment Authority of the City of Milwaukee (the "Redevelopment Authority"). Only to the extent consistent with the above general purposes, the specific purposes of the Corporation shall be:

(a) to assist the Housing Authority or the Redevelopment Authority in the fulfillment of their respective missions;

(b) to acquire, develop, construct, rehabilitate, provide construction management services and manage a continuum of housing options;

(c) to provide development, construction, rehabilitation and construction management services for Public Housing Authorities, private development projects and other 501 (c)(3) certified entities;

(d) to acquire, develop, construct, rehabilitate, provide construction management services and manage commercial properties in an effort to improve urban neighborhoods and the lives of those who live in them; and

(e) with the approval of the Housing Authority, to form subsidiary limited liability companies in which it serves as manager or subsidiary limited partnerships in which it serves as general partner.

The Corporation may undertake other activities that are consistent with these goals which are permitted for corporations organized under the Wisconsin Nonstock Corporation Act. Notwithstanding the foregoing the Association shall not carry on activities which are not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code.

ARTICLE II
OFFICES

2.1. Principal and Business Offices. The principal office of the Corporation required by the Wisconsin Statutes to be maintained in the State of Wisconsin may be, but need not be, identical with the registered office of the Corporation, and the address of the Corporation's principal office may be changed from time to time by the Board of Directors of the Corporation (the "Board" and, each Director thereon, a "Director"). The business office of the Corporation may be, but need not be, identical to such principal office and may be changed as the Board may designate or as the business of the Corporation may require from time to time.

2.2. Office of the Registered Agent. The office of the registered agent of the Corporation required by the Wisconsin Statutes to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office of the Corporation in the State of Wisconsin, and the address of the office of the registered agent may be changed from time to time by the Board or by the registered agent. The business office of the registered agent of the Corporation shall be identical to such registered office.

ARTICLE III
MEMBER

3.1. Membership. The Corporation shall have one (1) member, the Housing Authority or the "Member". The Corporation is and shall be at all times an instrumentality of the Member.

3.2. Member Rights and Obligations; Voting. The Member shall have such rights and obligations as are provided in Chapter 181, Wisconsin Statutes (the "Act"), the Corporation's Articles of Incorporation (the "Articles of Incorporation") and these Bylaws. The Member may determine by resolution the manner in which it shall exercise such rights and obligations.

3.3. Transferability of Membership. The Member may not transfer its membership, except to a successor governmental entity.

3.4. Termination of Membership.

(a) Automatic Termination. The membership of the Member shall be automatically terminated at such time as the Member is dissolved.

(b) Voluntary Termination. The Member may terminate its membership at any time by providing written notice of termination to the Secretary; provided, however, that such termination shall only be effective upon dissolution of the Corporation pursuant to Article IX or the transfer of Member's membership pursuant to Section 3.3.

(c) Effect of Termination. Termination of the Member shall not relieve the Member of any obligations or liabilities of the Member pursuant to the Act or any agreement between the Member and the Corporation.

3.5. Meetings of the Member. The annual meeting, regular meetings and special meetings of the Member shall be held in accordance with the Member's Bylaws, as amended

from time to time. The annual meeting shall be for the purpose of appointing Directors and the transaction of such other business as may come before the meeting. Failure of the Member to hold an annual meeting at the designated time shall not cause a forfeiture or dissolution of the Corporation.

3.6. Notice of Member's Meeting. Notice of meetings of the Member shall be provided in accordance with Sec. 19.81-19.98 Stats., (the "Open Meetings Law"). The Open Meetings Law is applicable to all meetings of the Member as well as the Board and its committees.

3.7. Manner of Acting. The Member may approve or disapprove all actions requiring Member approval. The Secretary-Executive Director of the Housing Authority shall have the power and authority to grant such approval or disapproval on behalf of the Member.

3.8. Member Approval Matters. In addition to any other actions requiring the approval of the Member pursuant to the Act, the Articles or these Bylaws, the following actions shall require the approval of the Member:

(a) Merger, consolidation or dissolution of the Corporation;

(b) Amendment, restatement, alteration or repeal of the Articles;

(c) A sale, lease, exchange, or other disposition of the property or assets of the Corporation;

(d) The call for additional contributions from the Member to the Corporation;

(e) Any distribution of assets of the Corporation to the Member;

(f) The formation of any subsidiary entities by the Corporation; and

(g) The appointment, reappointment or replacement of any Director and the President of the Corporation. All Directors shall serve at the pleasure of the Member.

ARTICLE IV
BOARD OF DIRECTORS

4.1. General Powers; Number. The business and affairs of the Corporation shall be managed by the Board. The Board shall consist of at least three (3) Directors. The number of Directors may be increased or decreased from time to time, without amending these Bylaws as long as the number of Directors is at least three (3). Initially, the number of Directors and composition of the Board shall be established by a resolution adopted by the Member.

4.2. Appointment; Qualification. The Member shall have the right to establish the manner in which Directors are to be appointed. All Directors shall serve at the pleasure of the Member.

4.3. Tenure. Each Director shall hold office for a term of two (2) years or until each Director's successor has been appointed, or until each Director's earlier death, resignation or removal. There shall be no term limits imposed on any Director. A Director may resign at any time by filing a written resignation with the Secretary of the Corporation. The resignation shall be effective upon receipt unless a later effective date is specified therein, in which case the effective date shall be as stated.

4.4. Removal; Vacancies. A Director may be removed by the Member at any time for any reason. Upon the death, resignation, or removal of a Director, the Member shall appoint a successor, who shall serve until the expiration of the prior Director's term or until the successor's earlier death, resignation, or removal.

4.5. Annual Meetings. The annual meeting of the Board shall be held each year at such time and place as determined by the Board.

4.6. Regular Meetings. The Board may provide, by resolution, the time and place for the holding of regular meetings.

4.7. Special Meetings. Special meetings of the Board may be called by or at the request of the Member, the President, or any two Directors. The person or persons calling any special meeting of the Board may fix any place as the place for holding any special meeting of the Board, and if no place is fixed, the place of meeting shall be the principal business office of the Corporation.

4.8. Notice; Waiver. Notice of all meetings of the Board and its committees shall be provided in accordance with the Open Meetings Law. Notice of special meetings of the Board shall be given by telephone or by written notice delivered personally by electronic mail, facsimile or by regular mail to each Director at the address as such Director shall have designated in writing filed with the Board. Notice in the case of telephone, personal delivery, facsimile or electronic mail shall be given not less than forty-eight (48) hours prior to the time of the meeting. If mailed, such notice shall be delivered at least five (5) days prior to the meeting and shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If sent by facsimile or electronic mail, notice shall be considered delivered at 8:00 a.m. on the next following business day. Whenever any notice is required to be given to any Director under the Articles or these Bylaws or any provision of law, a waiver thereof in writing, signed at anytime, whether before or after the time of the meeting, by the Director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting and objects thereat to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at any special meeting of the Board shall be specified in the notice of such meeting.

4.9. Quorum. Except as otherwise provided by law, by the Articles or these Bylaws, a majority of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board but a majority of Directors present (though less than a quorum) may adjourn the meeting from time to time without further notice.

4.10. Manner of Acting. All actions by the Board shall require the affirmative vote of a majority of Directors then in office. In situations involving a conflict of interest in which a Director must recuse himself or herself, an action by the Board shall require the affirmative vote of a majority of Directors not recused, even if less than a quorum. If the affirmative vote by a greater number of Directors is required by the Act or by the Articles of Incorporation for any Board action, the foregoing shall be replaced with such requirement.

4.11. Conduct of Meetings. The President shall call a meeting of the Board to order and shall act as the chairperson of such meeting. In the President's absence any other Director, as determined by a majority of the Directors in attendance, shall act in the President's place as chairperson of such meeting. The Secretary shall record the minutes of the meeting and file such minutes in the Corporation's minute book.

4.12. Compensation. Upon approval by the Board, Directors may be compensated for attendance at meetings of the Board or for other services rendered to the Corporation as a Director unless otherwise prohibited by law. A Director may also be reimbursed for expenses actually incurred by such Director in carrying out any activity of the Corporation if approved by the Board and unless otherwise prohibited by law.

4.13. Presumption of Assent. A Director who is present at a meeting of the Board or a committee thereof of which such Director is a member at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such Director's dissent shall be entered in the minutes of the meeting or unless such Director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such a right to dissent shall not apply to a Director who voted in favor of such action.

4.14. Meetings by Telephone or Other Electronic Means. Any action required or permitted by the Articles or these Bylaws or any provision of law to be taken by the Board or a committee of the Board at a meeting may be taken through the use of any means of communication by which (a) all participating persons may simultaneously hear each other during the meeting, or (b) all communication during the meeting is immediately transmitted to each participating person, and each participating person is able to immediately send messages to all other participating persons.

4.15. Committees. The Board or the President may adopt a resolution establishing one or more standing and/or temporary committees to consider appropriate matters, make reports to the President and/or the Board, and fulfill such other advisory functions as may be designated. The designation of such standing and/or temporary committees, and the members thereof, shall be recorded in the minutes of the Board. The Board or the President may appoint or remove members of any such committee; provided that each committee shall consist of three (3) or more Directors.

ARTICLE V
CORPORATION OFFICERS

5.1. Number and Qualifications. The officers of the Corporation shall be a President, Vice-President, Secretary, Treasurer and such other officers as determined by the Board. Subject to Sections 5.2 and 5.5, officers shall be elected by the Board; and one or more offices may be held by a single individual. Except for the President, who must be a Director, the other officers need not be Directors.

5.2. Election and Term of Office. Except as otherwise provided herein, the officers of the Corporation shall be elected by the vote of the Board as provided in Section 4.10 at the annual meeting of the Board. Each officer shall hold office for a term of one (1) year and until a successor shall have been duly elected and qualified or until such officer's earlier death, resignation or removal. Officers may serve any number of consecutive terms.

5.3. Removal. Any officer or agent may be removed by the Board or the Member whenever in its judgment the best interests of the Corporation will be served thereby, except the President, who may only be removed by the Member.

5.4. Vacancies. A vacancy in any office, except President, because of death, resignation, removal or otherwise, shall be filled by the Board for the unexpired portion of the term.

5.5. President. The President shall preside at meetings of the Board when available (the Board may meet and take action at a meeting notwithstanding the absence of the President). The President shall be the principal executive officer of the Corporation and shall, subject to the control of the Board, in general supervise and control all of the business and affairs of the Corporation. The President shall have authority, subject to such rules as may be prescribed by the Board, to appoint such agents and employees of the Corporation as the President shall deem necessary to carry out the purposes of the Corporation, to prescribe their powers, duties, and compensation and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

5.6. Vice-President. The Vice President shall exercise the duties of the President in the absence or incapacity of the President. If the President should die, resign, or be removed from office, the Vice President shall succeed to the office of the President.

5.7. Secretary. The Secretary shall (a) attend all meetings of the Board and keep the minutes of such meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accord with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records; (d) keep or arrange for the keeping of a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and (e) in general, perform all duties incident to the office of the Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to the Secretary by the President or by the Board. All records of the Board and its committees shall be

maintained in accordance with and fully subject to Sec. 19.21-19.39, Stats (the "Public Records Law").

5.8. Treasurer. The Treasurer shall in general perform all duties incident to the office of the Treasurer, including oversight of the management of the books and financial records of the Corporation, and have such other duties and exercise such other authority as from time to time may be delegated or assigned to the Treasurer by the President or by the Board.

5.9. Assistants and Acting Officers. The Board shall have the power to appoint any person to act as assistant to any officer, or as agent for the Corporation in such officer's stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board shall have the power to perform all the duties of the office to which such person is so appointed to be assistant, or as to which such person is so appointed to act, except as such power may be otherwise defined or restricted by the Board.

ARTICLE VI
CONTRACTS; LOANS; CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

6.1. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. No contract or other transaction between the Corporation and one or more of its Directors or any other corporation, firm, association, or entity in which one or more of its Directors or any other corporation, firm association, or entity in which one or more of its Directors or officers are financially interested, shall be either void or voidable because of such relationship or interest or because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction; provided such contract or action is approved pursuant to the conflict of interest policy. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transactions, but such interested Directors shall abstain from any vote to authorize, approve, or ratify such contract or transaction.

6.2. Loans. No indebtedness for borrowed money shall be contracted on behalf of the Corporation and no evidence of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board. Such authorization may be general or confined to specific instances.

6.3. Checks, Drafts, Etc. Subject to guidelines promulgated by the Board from time to time, all checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by the President of the Corporation or an agent or the Corporation duly appointed for that purpose or delegated such responsibility.

6.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board.

ARTICLE VII
SEAL

The Corporation shall have no corporate seal.

ARTICLE VIII
AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted only by the approval of the Member.

ARTICLE IX
DISSOLUTION

The Corporation may be dissolved only by the approval of the Member. Prior to any dissolution, the Corporation shall transfer substantially all of the corporation's assets to the Member pursuant to Article XI. Upon dissolution its remaining assets, if any, will be disposed of pursuant to the Articles and a plan of dissolution approved by the Board and the Member.

ARTICLE X
INDEMNIFICATION

10.1. Indemnification for Successful Defense. Within twenty (20) days after receipt of a written request pursuant to Section 10.3, the Corporation shall indemnify a Director or officer, to the extent such Director or officer has been successful on the merits or otherwise in the defense proceeding, for all reasonable expenses incurred in the proceeding if the Director or officer was a party because such Director is a Director or officer of the Corporation.

10.2. Other Indemnification.

(a) In cases not included under Section 10.1, the Corporation shall indemnify a Director or officer against all liabilities and expenses incurred by the Director or officer in a proceeding to which the Director or officer was a party because such person is a Director or officer of the Corporation, unless liability was incurred because the Director or officer breached or failed to perform a duty owed to the Corporation and the breach or failure to perform constitutes any of the following:

(1) A willful failure to deal fairly with the Corporation in connection with a matter in which the Director or officer has a material conflict of interest;

(2) A violation of criminal law, unless the Director or officer had reasonable cause to believe such conduct was lawful or not reasonable cause to believe such conduct was unlawful;

(3) A transaction from which the Director or officer derived an improper personal profit or benefit; or

(4) Willful misconduct.

(b) Determination of whether indemnification is required under this Section 10.2 shall be made pursuant to Section 10.5.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the Director or officer is not required under this Section 10.2.

10.3. Written Request. A Director or officer who seeks indemnification under Section 10.1 or 10.2 shall make a written request to the Corporation.

10.4. Nonduplication. The Corporation shall not indemnify a Director or officer under Section 10.1 or 10.2 if the Director or officer has previously received indemnification or allowance of expenses from any person, including the Corporation, in connection with the same proceeding. However, the Director or officer has no duty to look to any other person for indemnification.

10.5. Determination of Right to Indemnification.

(a) Unless otherwise provided by the Articles of Incorporation or by written agreement between the Director of officer and the Corporation, the Director or officer seeking indemnification under Section 10.2 shall select one of the following means for determining his or her right to indemnification:

(1) By approval of all Directors then in office and not at the time parties to the same or related proceedings.

(2) By independent legal counsel selected by approval of all Directors then in office and not at the time parties to the same or related proceedings.

(3) By a panel of three arbitrators consisting of one arbitrator selected by approval of all Directors then in office and not at the time parties to the same or related proceedings, one arbitrator selected by the Director or officer seeking indemnification and one arbitrator selected by the two arbitrators previously selected.

(4) By a court under Section 10.9.

(5) By any other method provided for in any additional right to indemnification permitted under Section 10.8.

(b) In any determination under subsection (a), the burden of proof is on the Corporation to prove that indemnification under Section 10.2 should not be allowed.

(c) A written determination as to a Director's or officer's right to indemnification under Section 10.2 shall be submitted to both the Corporation and the Director or officer within sixty (60) days of the selection made under subsection (a).

(d) If it is determined that indemnification is required under Section 10.2, the Corporation shall pay all liabilities and expenses not prohibited by Section 10.4 within ten (10) days after receipt of the written determination under Section 10.5(c). The Corporation shall also pay all expenses incurred by the Director or officer in the determination process under subsection (a).

10.6. Advance Expenses. Within ten (10) days after receipt of a written request by a Director or an officer who is a party to a proceeding, the Corporation shall pay or reimburse the reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

(a) A written affirmation of a good faith belief that such Director or officer has not breached or failed to perform such Director's or officer's duties to the Corporation.

(b) A written undertaking satisfactory to the Board, executed personally or on such Director's or officer's behalf, to repay the allowance to the extent that it is ultimately determined under Section 10.5 that indemnification under Section 10.2 is not required and that indemnification is not ordered by a court under Section 10.9(b)(2). The undertaking under this subsection shall be an unlimited general obligation of the Director or officer and may be accepted without reference to such Director's or officer's ability to repay the allowance. The undertaking may be secured or unsecured in the Board's discretion.

10.7. Indemnification Under Wisconsin Statutes. To the extent indemnification is extended under this Article X to any Director or officer otherwise entitled to indemnification under Wisconsin law, the indemnification provisions hereunder shall be secondary and subordinate to such state indemnification and shall be administered in such a way as to avoid overlapping or duplication of the costs of defense or payment of judgments.

10.8. Nonexclusivity.

(a) Except as provided in subsection (b), Sections 10.1, 10.2 and 10.6 do not preclude any additional right to indemnification or allowance of expenses that a Director or officer may have under any of the following:

(1) The Articles;

(2) A written agreement between the Director or officer and the Corporation; or

(3) A resolution of the Board.

(b) Regardless of the existence of an additional right under subsection (a), the Corporation shall not indemnify a Director or officer, or permit a Director or officer to retain any allowance of expenses unless it is determined by or on behalf of the Corporation that the Director or officer did not breach or fail to perform a duty such Director or officer owes to the Corporation which constitutes conduct under Section 10.2(a). A Director or officer who is a party to the same or related proceedings for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

(c) Sections 10.1 to 10.12 do not affect the Corporation's power to pay or reimburse expenses incurred by a Director or officer in any of the following circumstances:

(1) As a witness in a proceeding to which such Director or officer he or she is not a party; or

(2) As a plaintiff or petitioner in a proceeding because such Director or officer is or was a Director or officer of the Corporation.

10.9. Court-Ordered Indemnification.

(a) Except as provided otherwise by written agreement between the Director or officer and the Corporation, a Director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application may be made for an initial determination by the court under Section 10.5(a)(5) or for review by the court of an adverse determination under Sections 10.5(a)(1), (2), (3) or (5). After receipt of an application, the court shall give any notice it considers necessary.

(b) The court shall order indemnification if it determines any of the following:

(1) That the Director or officer is entitled to indemnification under Section 10.1 or 10.2; or

(2) That the Director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, regardless of whether indemnification is required under Section 10.2.

(c) If the court determines under subsection (b) that the Director or officer is entitled to indemnification, the Corporation shall pay the Director's or officer's expenses incurred to obtain the court-ordered indemnification.

10.10. Indemnification of Employees or Agents. The Corporation may indemnify and allow reasonable expenses of an employee or agent who is not a Director or officer to the extent provided by the Articles of Incorporation or Bylaws, by general or specific action of the Board or by contract.

10.11. Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is an employee, agent, volunteer, Director or officer of the Corporation against liability asserted against or incurred by the individual in such person's capacity as an employee, agent, volunteer, Director or officer, regardless of whether the Corporation is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 10.1, 10.2, 10.8 and 10.9.

10.12. Liberal Construction. In order for the Corporation to obtain and retain qualified Directors and officers, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of Directors and officers and, accordingly, the indemnification above provided for shall be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

ARTICLE XI
DISTRIBUTIONS TO MEMBER

Subject to the requirements set forth herein and under the Code, the Corporation may from time to time make distributions and other payments to the Member. Notwithstanding anything contained in this Article XI, no distribution shall be made to the Member unless, at the time of such distribution, all of the following are true:

(a) the distribution or other payment is made in accordance with the purposes of the Corporation;

(b) notwithstanding the distribution or payment, the Corporation would be able to pay its debts as they become due in the usual course of its activities, and the Corporation's total assets would equal at least the sum of its total liabilities; and

(c) the recipient of such distribution or payment (i) may not distribute any part of its income to members, other than the Member, Directors or officers, and (ii) must be a governmental entity.

ARTICLE XII
CONFLICTS OF INTEREST

12.1. Purpose. The purpose of the conflict of interest policy set forth in this Article XII 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 might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to governmental entities or nonprofit and charitable organizations. The conflicts of interest policy set forth in this Article XII shall be referred to in this Article XII as the "conflicts of interest policy" or the "policy."

12.2. Definitions.

(a) 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.

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

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

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

(3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 12.3(b), a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

12.3. 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 Board 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 or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(1) An interested person may make a presentation at the Board or committee meeting, but after the presentation, such person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest;

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

(3) After exercising due diligence, the 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; and

(4) 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.

(d) Violations of the Conflicts of Interest Policy.

(1) If the Board or committee has reasonable cause to believe a Director, officer or member of a committee with Board-delegated powers, has failed to disclose actual or possible conflicts of interest, it shall inform the Director, officer or committee member of the basis for such belief and afford the such person an opportunity to explain the alleged failure to disclose; and

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

12.4. Records of Proceedings. The minutes of the Board and all committees with Board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

12.5. Compensation.

(a) A Director, officer or committee member who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that person's compensation.

(b) No Director, officer or member of 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.

12.6. Annual Statements. Each Director, 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.

12.7. 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.

12.8. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 12.07, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.