

# Bylaws of Lone Star Legal Aid

## ARTICLE I Name

1.01 **Name.** The name of the Corporation is Lone Star Legal Aid (“the Corporation”).

## ARTICLE II Board of Directors

2.01 **General Powers.** All powers of the Corporation shall be exercised by its Board of Directors (the "Board").

2.02 **Number and Term.** The number of directors shall be thirty-six (36) (each a "Director"). Such number may be increased or decreased by an amendment of these Bylaws but shall never be less than three (3), Directors shall serve terms of three (3) years each, or until a successor Director is appointed and qualified as provided herein, or until his or her earlier resignation, death, or removal. All terms of Directors (other than the terms of the initial Directors listed in the Articles of Incorporation) shall commence at the annual meeting.

2.03 **Qualification.** All Directors shall be individuals interested in and supportive of high quality legal services to the poor and shall reside within the counties served by the Corporation. Employees may not serve as Directors of the Corporation.

2.04 **Director A Appointments.** Subject to the provisions of Section 2.05 and 2.06 of these Bylaws, Director appointments shall reflect branch office service areas prior to the merger. The area previously served by Gulf Coast Legal Foundation shall appoint 11 bar representatives, 7 client representatives, 2 law school representatives and 1 other Board member. The area previously served by East Texas Legal Services, Inc. shall appoint 7 bar representatives, 4 client representatives, 1 law school representative and 1 other Board member. The area previously served by the Belton office of Legal Aid of Central Texas shall appoint 1 bar representative and 1 client representative.

### 2.05 Attorney Directors.

(a) Attorney Directors shall be appointed in the manner mandated by the Legal Services Corporation including the regulations promulgated in 45 CFR 1607.

(b) If the total number of LSLA Directors is thirty-six (36), then at least twenty-two (22) of the Attorney Directors shall be admitted to practice in a state within LSLA's service area.

(c) The designations of Attorney Directors shall be apportioned based on the number of eligible poor in the Corporation's service areas as approved from time to time by resolution of the Board.

## 2.06 **Eligible Client Directors.**

(a) Eligible Client Directors shall be appointed in the manner mandated by the Legal Services Corporation including the regulations promulgated in 45 CFR 1607.

(b) If the total number of LSLA Directors is thirty-six (36), then at least twelve (12) of the Directors shall be Eligible Client Directors.

(c) The designations of Eligible Client Directors shall be apportioned based on the number of eligible poor in the Corporation's service areas as approved from time to time by resolution of the Board.

(d) Each year, the Board will consider all petitions that have been submitted during the previous year by groups seeking to serve as designating groups.

(e) Each year, the Board or a committee thereof shall select designating groups to fill impending vacancies for Eligible client Directors and shall request that each such group appoint an individual or individuals who reflect the interests and characteristics of the eligible clients in the area served. If the group does not appoint an individual or individuals, the Board or the designated committee shall select a new designating group to appoint a Director from the same area.

(f) If any Eligible Client Director position becomes vacant prior to the expiration of a term, the Board shall request the appointing organization to appoint another Eligible Client Director for the remainder of such term.

2.07 **Board Training.** All Directors shall be provided with training and information to enable them to properly address issues that come before the Board and to fulfill their duties and responsibilities as Board members.

2.08 **Meetings.** The Board shall meet at such times and places as it may direct, but regular meetings shall be held not less than once each calendar quarter. Special meetings may be called by the President, or by any six (6) Directors, by giving ten (10) days notice in writing, by certified mail with return receipt requested, to each member of the Board. The person or persons authorized to call special meetings of the Board may fix any time, date, and place in the Corporation's service area, for any special meetings. Directors may elect to participate in a general or special meeting telephonically or by video conference. The purpose or purposes of any meeting shall be stated in the notice of such meeting. The Board shall keep minutes of their meeting and actions and the President (or his or her delegate) shall distribute copies of the minutes of the meeting to each Director within a reasonable time after such meeting. Unless the Board votes by a 2/3 majority of the Directors present not to do so, the Board will hold meetings in different parts of the region during the year.

2.09 **Rules.** All business shall be conducted according to the then current edition of *Robert's Rules of Order*, unless otherwise provided herein.

2.10 **Notices.** Notice of any meeting of the Board shall be given at least ten (10) days previously thereto by telephone, by written notice delivered personally, or sent by mail to each Director at his or her address as listed in the records of the Corporation. If mailed such notice shall be deemed to be delivered when deposited with the United States Postal Service in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance

of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting, of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

2.11 **Quorum.** A majority of the Board of Directors, present in person, by conference telephone, video conference or similar communication equipment by means of which all persons participating in the meeting can hear each other, shall constitute a quorum for the transaction of business at any meeting of the Board: but if less than a quorum of the Directors is present at a meeting, a majority of the Directors present may adjourn the meeting and agree to reconvene at an agreed upon time without further notice.

2.12 **Manner of Acting.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

2.13 **Informal Action by Directors.** Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting, if a consent in writing, setting forth the action to be so taken, shall be signed, prior to the taking of such action, by the number of Directors necessary to take such action at a meeting at which all the Directors were present. A written consent signed by less than the requisite number of Directors is not effective to take the action that is the subject of the consent unless, within 60 days after the date of the earliest dated consent, a consent or consents signed by the required number of Directors is delivered to the corporation. For purposes of this article, transmission by a Director of a facsimile or similar reproduction of a writing signed by a Director, or transmission of an encrypted e-mail, if allowed by law, shall be regarded as the Director having signed the original document.

2.14 **The Chair and Vice-Chair.** Annually or at such other time that there may be vacancies in such offices, the Board shall elect a Chair and Vice-Chair of the Board from among the Directors. The Chair and Vice-Chair shall serve at the pleasure of the Board, or until his or her successor has been duly elected in her stead, or until she shall resign or otherwise vacate her office or Board membership.

(a) The Chair shall, if present, preside at all meetings of the Board, shall carry out all other functions required of the Chair by these Bylaws and shall perform such other duties as may be assigned by the Board.

(b) The Vice-Chair shall, in the absence of the Chair, preside at meetings of the Board and shall, for purposes of these Bylaws, be considered the Chair of any meeting at which he presides. In addition, the Vice-Chair shall carry out all other functions required of the Vice-Chair by these Bylaws and shall perform such other duties as may be delegated by the Chair or assigned by the Board. In the absence of the Chair and the Vice-Chair, the Directors present at a meeting shall choose a Director to preside.

2.15 **Compensation.** Directors shall not be compensated for their services to the Corporation. However, a Director may be reimbursed for normal travel and other reasonable, out-of-pocket expenses required for the fulfillment of obligations as a Director. Directors who can afford to

pay such expenses themselves are encouraged not to seek reimbursement from the corporation.

2.16 **Vacancies.** Any vacancy occurring in the Board of Directors, and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board, subject to the provisions of Section 2.06 of these Bylaws. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. However, vacancies need not be filled unless such a vacancy would result in fewer than 3 Directors remaining on the Board.

2.17 **Removal.** A Director may be removed by a vote of a majority of the Directors in office for persistent neglect of their duties as Director, for inability to discharge the duties of a Director, for residing outside the Corporation service area, for otherwise becoming ineligible to serve according to law or applicable regulation or for malfeasance in office. When a Director shall fail to appear at two (2) consecutive regular meetings of the Board, the Secretary shall notify him in writing that the agenda for the next meeting of the Board will include the question of whether she should be removed for persistent neglect or for inability to discharge duties. A Director may not be removed without reasonable notice and an opportunity to be heard and upon a majority vote of the Directors in office, and this paragraph shall be the exclusive vehicle for the removal of a Director.

2.18 **Proxy Voting.** Proxy voting is prohibited.

2.19 **Resignation.** Any Director may resign at any time upon giving written notice to the Chair.

## **A R T I C L E   I 1 1** **Committees of the Board**

3.01 **Committees.** The Board of Directors may from time to time designate members of the Board of Directors to constitute committees that shall have and may exercise such powers as a majority of the Board of Directors may determine in the resolution that creates the committee. The Board of Directors may appoint individuals who are not members of the Board of Directors to any committee: provided, however, that a majority of the committee members shall be members of the Board of Directors if such committee exercises the authority of the Board of Directors in the management of the Corporation. Other committees, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Board of Directors, or by the President if authorized by a resolution of the Board of Directors or by these Bylaws. Membership of such committees may, but need not, be limited to Directors.

3.02 **Executive Committee.** The Executive Committee shall be composed of the following:

- (a) The Chair.
- (b) The Vice-Chair, and
- (c) Five (5) Directors.

The five (5) Directors of the Board elected to the Executive Committee shall be so elected by those members of the Board, who are not already members of the Executive Committee by reason of their being a Chair or Vice-Chair of the Board, and shall be elected only after the Chair and

Vice-Chair have been duly elected. The Board shall balance geography, poverty population and attorney client representation on the Executive Committee.

The Executive Committee shall have the power and authority to exercise all powers of the Board of Directors between Board meetings. An act of the Executive Committee shall be conclusive evidence that the Board of Directors was not meeting at the time of such act.

## **A R T I C L E I V**

### **Management of the Corporation**

4.01 **Transitional Provisions.** The Transitional Provisions contained in this Section 4.01 are intended to aid in the operational transition from two separate entities to one. All Transitional Provisions are to remain in effect, unless another time period is stated, until amended by the Board of Directors.

(a) During calendar years 2002, 2003 and 2004, the followin<sup>g</sup> decisions shall require approval by 67% of the Board members present and voting, with at least one week's written notice to all Board members:

- (i) Adoption of LSLA's annual budget and bud<sup>g</sup>et reallocations in excess of \$550,000;
- (ii) Closing an office;
- (iii) Hiring, firing and compensation of the President or the Initial Vice-President (as defined below).

(b) LSLA will employ two senior officers, who will be responsible for leadership and management of LSLA, both such officers shall be non-voting ex-officio members of the Board. The initial President and Chief Executive Officer of LSLA will be Paul E. Furth, Jr., whose primary office will be in Nacogdoches and whose secondary office will be in Houston. The initial Vice-President and Chief Operating Officer of LSLA will be Dwayne E. Bilton (the "Initial Vice-President"), whose primary office will be in Houston and whose secondary office will be in Nacogdoches.

(c) The LSLA financial, human resources and technology functions will be centered in Houston, along with the primary office of the COO to which these functions will report. Within the financial function, Dou<sup>g</sup> Elbert and Eddie Cheng will continue to perform roles similar to their current responsibilities. The location and staffing of the rest of the management and administrative operations of LSLA, including resource development, public affairs, case management, centralized intake, grant compliance, litigation support, pro bono coordination, preventive law development and pro se support will be determined by the Chief Executive Officer and Chief Operating Officer, in consultation with the Board of Directors.

(d) The principal legal business of LSLA will be conducted throu<sup>g</sup>h three geo<sup>g</sup>raphically distinct divisions, each of which will be managed by a Directing Attorney. The LSLA General Counsel/Director of Litigation will have primary oversight responsibility for the quality and effectiveness of LSLA le<sup>g</sup>al work.

(e) Any funds that were expressly or impliedly limited as to geography or purpose, will be

expended within the promised geography and for the promised purpose. The GCLF building endowment fund shall be kept segregated and used only for Houston building improvements or services.

(f) All real property will be utilized for the provision of free legal services to eligible individuals in the area where the property is located.

(g) For one year following the merger, employees will not be terminated except for cause or due to funding limitations. During that time period, if a position is eliminated, LSLA will use its best efforts to provide another job to any affected employee based on the employee's skills and qualifications and, where applicable, within the limits of the National Labor Relations Act. Where job positions or responsibilities change, program resources will be committed to reasonable in-house staff training.

(h) For a period of one year after the merger, all offices will be kept open unless LSLA's Board of Directors, pursuant to action outlined in Section 4.01 of the Bylaws, has determined that closing an office is in its best interest and such closing follows prior notice and consultation with the local and regional client community and all staff who may be affected.

**4.02 Officers of the Corporation** Subject to the Transitional Provisions, the officers of the Corporation shall be a President, a Vice-President, a Secretary, a Treasurer and such other officers as the Board determines to be necessary, all of whom shall serve at the pleasure of the Board. The officers shall have such authority and perform such duties, consistent with these Bylaws, as may from time to time be determined by the Board or, with respect to the officers other than the President and the Initial Vice-President, by the President and the Initial Vice-President.

**4.03 Appointment of President** The vote of at least a majority of the Directors in office shall be required to appoint the President. The President and Initial Vice-President may not be removed without reasonable notice and an opportunity to be heard and upon a majority vote of the Directors in office and this shall be the exclusive vehicle for the removal of the President and Initial Vice-President.

**4.04 Appointment of other Officers** The President and Initial Vice-President, if applicable, in consultation, with the Board shall appoint the other officers. An officer shall be appointed whenever a vacancy arises. An officer shall hold offices until his or her successor has been duly appointed or until the officer dies, resigns or is removed. Any officer may be removed from office but any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Removal from office may or may not terminate the employment of the person so removed as determined by the Board, in case of the President and Initial Vice-President, or by the President and initial Vice-President, in the case of any other officer.

**4.05 Resignation** The President and Initial Vice-President may resign his or her office at any time by giving a written notice of resignation to the Chair. An officer other than the President and Initial Vice-President shall submit his or her resignation to the President and Initial Vice-President. Such resignation shall take effect at the time received, unless another time is specified therein or by the Board. The acceptance of such resignation shall not be necessary to make it effective. Resignation from an office does not necessarily terminate the employment of the person so resigning, that determination will be made by the Board, in the case of the President and Initial Vice-President, or

by the President and Initial Vice-President, in the case of any other officer.

#### 4.06 **The President.**

(a) The President of the Corporation shall be its Chief Executive Officer and shall have responsibility and authority in accordance with these Bylaws, subject to the direction of the broad policies established by the Board, for:

(i) The day-to-day administration of the affairs of the Corporation;

(ii) The supervision of the other officers of the Corporation in the performance of their duties-.

(iii) The appointment of such employees of the Corporation as the President and Initial Vice-President, when applicable, determine to be necessary to carry out the purposes of the Corporation, and the power to hire, discharge, fix compensation, and supervise, or cause to be supervised all staff pursuant to the policies adopted by the Board;

(iii) Seek crams and funds, and enter into contracts; and

(iv) Sign any deeds, mortgages, bonds, contracts, or other instruments which the Board may have authorized to be executed; and

(v) The exercise of such other powers incident to the office of President of the Corporation and the performance of such other duties as the Board may prescribe.

(b) The President of the Corporation shall be a licensed attorney in the State of Texas and shall be a non-voting ex officio member of the Board.

#### 4.07 **The Vice-President.**

(a) The Vice-President, subject to the provisions of Section 4.07(b) of these Bylaws, shall have such powers and perform such duties as the President may from time to time prescribe, consistent with any determination of the Board. In the absence of or upon delegation by the President, the Vice-President shall perform the duties of the President, A Vice-President performing the duties of the President pursuant to this paragraph shall have all the powers a and shall be subject to all restrictions upon, the President. Any such Vice-President shall be a licensed attorney in the State of Texas.

(b) The Initial Vice-President shall serve as the Chief Operating Officer of LSLA and shall have responsibility and authority in accordance with these Bylaws, subject to the direction of the broad policies established by the Board, for:

(i) The day-to-day administration of the financial, human resources and technology functions of the Corporation;

(ii) In the absence of or in consultation with the President, the supervision of the other officers of the Corporation in the performance of their duties:

(iii) In the absence of or in consultation with the President, the appointment of such employees of the Corporation as the Initial Vice-President and President determine to be necessary to carry out the purposes of the Corporation, and the power to hire, discharge, fix compensation and supervise or cause to be supervised all staff pursuant to the policies adopted by the Board.

(iv) In the absence of or in consultation with the President, seek grants and funds, and enter into contracts;

(v) In the absence of or in consultation with the President, sign any deeds, mortgages, bonds, contracts, or other instruments which the Board may have authorized to be executed; and

(vi) In the absence of or in consultation with the President, the exercise of such other powers incident to the office of the President of the Corporation and the performance of such other duties as the Board may prescribe.

(c) The Initial Vice-President shall be a licensed attorney in the State of Texas and shall be a non-voting ex officio member of the Board.

**4.08 The Secretary.** The Secretary shall:

(a) Ensure that all notices are duly given in accordance with the Texas Non-Profit Corporation Act and these Bylaws;

(b) Keep, or cause to be kept, in books provided for the purpose, minutes of the meetings of the Board and each committee.

(c) Ensure that the books, reports, statements and all other documents and records over which the Secretary has custody or control are properly kept and filed;

(d) Sign such instruments as require the signature of the Secretary, and

(e) In general, perform all the duties incident to the office of the Secretary and other duties assigned by the Chair or the President.

**4.09 The Treasurer.** The Treasurer shall:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Corporation and (with the exception of petty cash) cause to be deposited all such funds and securities in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws;

(b) Receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;

(c) Sign such documents as shall require the signature of the Treasurer,

(d) Render at each regular meeting of the Board, and at such other times as the Board may require, a report on the financial condition of the Corporation; and

(e) In general, perform all duties incident to the Treasurer and other duties assigned by the Chair of the President of the Corporation. The Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such sureties as the Board shall determine.

4.10 **Establish Policies.** In addition to other duties specifically enumerated in these Bylaws, the Board shall establish broad policies governing the operation of the Corporation.

4.11 **Legal Services Corporation.** The Corporation shall comply with all relevant provisions of the Legal Services Corporation Act of 1972 and any binding rules or regulation promulgated there under, as the same may be amended from time to time.

## **A R T I C L E V**

### **Finances and Records**

5.01 **Contracts.** The Board of Directors, except as otherwise provided in these **Bylaws**, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, 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 render it liable pecuniarily for any purpose or to any amount.

5.02 **Checks, Drafts, etc.** The Board may **authorize** officers and employees to sign all checks, drafts, or orders for the payment of money or other evidence of indebtedness issued in the name of the Corporation. The President is given the authority and is directed to oversee this function and the transfer of funds between accounts. All drafts, checks, etc., shall be countersigned by one (1) or more officers or employees of the Corporation, as authorized by resolution of the Board.

5.03 **Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, savings associations, credit unions, trust companies, or other depositories as the Board may approve.

5.04 **Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

5.05 **Books and Records.** The Corporation shall keep correct and complete books and records of the activities of the Corporation, including a minute book which shall contain a copy of the Corporation's application for tax-exempt status, copies of the organization's IRS information and tax returns and a copy of the Corporation's Articles of incorporation, Bylaws, and Amendments. The Corporation shall also keep correct and complete books and records of accounts and shall keep minutes of the proceedings of the Board and committees having any of the authority of the Board, and shall keep at

the registered office a record giving the names and addresses of the directors. All books and records of the Corporation may be inspected by any Director or his agent or attorney for any proper purpose at any reasonable time. All records of the Corporation will be available to the public for inspection and copying to the extent required by law.

5.06 **Audit.** The Corporation shall make provisions for an annual audit of its books and records by an independent Certified Public Accountant.

5.07 **Fiscal Year.** The fiscal year of the Corporation shall be fixed by resolution of the Board.

5.08 **Prohibition Against Sharing in Corporation Earnings.** No Director, officer, employee, member of a committee, person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. Upon the dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the board of Directors shall be distributed as provided in the Articles of Incorporation.

## **A R T I C L E   V I**

### **Indemnification of Directors and Officers**

The Corporation shall indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director or officer of the Corporation 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 of Directors may determine from time to time. The Corporation shall have 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 Article VI shall be prospective and shall 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.

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## **A R T I C L E   V I I**

### **Conflicts of Interest**

7.01 **Conflicts of Interest Policy.** 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.

## 7.02 Definitions.

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

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

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

(iii) 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 may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

## 7.03 Procedures.

(a) In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must 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) 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 Board or committee members shall decide if a conflict of interest exists.

(c) An interested person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

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

(e) After exercising due diligence, the Board or committee shall 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.

(f) 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 shall determine by a majority vote of the disinterested Directors 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 shall make its decision as to whether to enter into the transaction or arrangement in

conformity with such determination.

(g) If the Board or committee has reasonable cause to believe that 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.

(h) 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 member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**7.04 Records of Proceedings.** The minutes of the Board and all Board 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's or committee's decision as to whether a conflict of interest in fact existed and

(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 therewith.

#### **7.05 Compensation Committees**

(a) 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.

(b) 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.

**7.06 Annual Statements.** Each Director, principal officer and member of a committee with Board delegated powers shall annually 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.

**7.07 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 shall be conducted.

7.08 **Use of Outside Experts.** In conducting the periodic reviews provided for in Section 7.07, 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 that periodic reviews are conducted.

## **ARTICLE VIII** **Additional Provisions**

8.01 **Agents and Representatives.** The Board of Directors may appoint such agents and representatives of the Corporation with such powers and to perform such acts or duties on behalf of the Corporation as the Board may see fit, so far as may be consistent with these Bylaws, to the extent authorized or permitted by law.

8.02 **Relationship to Private Bar.** The Board of Directors, recognizing the need for harmonious relations between the Corporation and the private bar will actively seek the support of the organized bar in achieving the Corporation's goals and ensuring an appropriate mechanism by which the organized bar can assist the Corporation in serving its clients. In addition, the President and Initial Vice-President, after consultation with the attorney members of the Board, will develop procedures for the referral of cases to the private bar consistent with applicable law.

8.03 **Code of Professional Responsibility.** All attorneys employed by the Corporation will be governed by the Code of Professional Responsibility of their state of licensure.

8.04 **Additions and Amendments to Bylaws.** These Bylaws may be amended, altered, repealed, and new Bylaws adopted by the affirmative vote of a majority of the Directors present at any regular or special meeting of the Board; provided, however, that before any such alteration or amendment to the Bylaws may be taken up at a meeting, such proposed alterations or amendments must have been read, and an opportunity to discuss must then have been provided at one or more meetings of the Board prior to the meeting at which the vote shall be taken for their amendment or alteration in accordance with this section.

### **8.05 Additions and Amendments to Articles.**

The Articles of Incorporation of the corporation may, to the extent allowed by law, be amended, or restated. or new Articles of Incorporation may be adopted by an affirmative vote of the majority of the Directors in office taken at a regular or special meeting.

8.06 **Telephone and Similar Meetings.** Subject to the provisions in these Bylaws regarding notice, at any regular or special meeting of the Board of Directors the *presence* of any or all Directors at such meeting shall be deemed to include not only physical presence, but also the participatory presence of a member by means of conference telephone, video conference or similar communication equipment by means of which all persons participating in the meeting can hear each other, except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business at such meeting.

8.07 **Seal.** The Corporation elects not to have a corporate seal.

8.08 **Public Participation.** The Board welcomes written and other communication from members of the public. Members of the public may address a meeting of the Board upon invitation of the chair of the meeting unless the Board otherwise directs.

8.09 **Affirmative Action.** An affirmative action policy shall be adopted.

8.10 **Disabilities.** A policy prohibiting discrimination on the basis of disability shall be adopted.