Form **990-PF** | **Return of Private Foundation** **or Section 4947(a)(1) Trust Treated as Private Foundation** | OMB No 1545-0052 **2013**

Department of the Treasury Internal Revenue Service

► **Do not enter Social Security numbers on this form as it may be made public.**
► Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

For calendar year 2013, or tax year beginning 7/01 , **2013, and ending** 6/30 , 2014

ARKANSAS REAL ESTATE FOUNDATION INC
11224 EXECUTIVE CENTER DR
LITTLE ROCK, AR 72211-4320

A Employer identification number: 74-2418473
B Telephone number (see the instructions): 501-225-2020
C If exemption application is pending, check here ► [ ]
D 1 Foreign organizations, check here ► [ ]
2 Foreign organizations meeting the 85% test, check here and attach computation ► [ ]
E If private foundation status was terminated under section 507(b)(1)(A), check here ► [ ]
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► [ ]

G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [ ] Name change

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 308,153.

J Accounting method [X] Cash [ ] Accrual [ ] Other (specify) *(Part I, column (d) must be on cash basis)*

SCANNED MAY 2 1 2015

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*	**(a)** Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
REVENUE 1 Contributions, gifts, grants, etc, received (att sch)	6,092.			
2 Ck ► [X] if the foundn is **not** req to att Sch B				
3 Interest on savings and temporary cash investments	15.	15.		
4 Dividends and interest from securities				
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 **Total.** Add lines 1 through 11	6,107.	15.	0.	
OPERATING AND ADMINISTRATIVE EXPENSES 13 Compensation of officers, directors, trustees, etc	3,475.	869.		
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) SEE ST 1	635.	159.		
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instrs) SEE STM 2	141.			
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 3	255.	47.		
24 **Total operating and administrative expenses.** Add lines 13 through 23	4,506.	1,075.		
25 Contributions, gifts, grants paid PART XV	2,000.			2,000.
26 **Total expenses and disbursements.** Add lines 24 and 25	6,506.	1,075.	0.	2,000.
27 Subtract line 26 from line 12:				
a **Excess of revenue over expenses and disbursements**	-399.			
b **Net investment income** (if negative, enter -0-)		0.		
c **Adjusted net income** (if negative, enter -0-)			0.	

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	15,834.	16,036.	16,036.
	2 Savings and temporary cash investments	292,688.	292,115.	292,115.
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	30.	2.	2.
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment. basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers — see the instructions Also, see page 1, item I)	308,552.	308,153.	308,153.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ► SEE STATEMENT 4)	1,650.	1,650.	
	23 Total liabilities (add lines 17 through 22)	1,650.	1,650.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	306,902.	306,503.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	306,902.	306,503.	
	31 Total liabilities and net assets/fund balances (see instructions)	308,552.	308,153.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	306,902.
2	Enter amount from Part I, line 27a	2	-399.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	306,503.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	306,503.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a	N/A			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 — **2**

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 — **3**

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2012		298,418.	
2011	34,838.	307,487.	0.113299
2010	24,389.		
2009	13,382.		
2008	32,161.		

2	**Total** of line 1, column (d)	2	0.113299
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.022660
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	301,546.
5	Multiply line 4 by line 3	5	6,833.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	6,833.
8	Enter qualifying distributions from Part XII, line 4	8	2,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI **Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see instructions)**

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _______ **(attach copy of letter if necessary — see instrs)**			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► ☐ and enter 1% of Part I, line 27b		1	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	0.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a 2.		
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d		7	2.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed**	►	9	0.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid**	►	10	2.
11 Enter the amount of line 10 to be **Credited to 2014 estimated tax** ► 2.	**Refunded** ►	11	0.

Part VII-A **Statements Regarding Activities**

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1 a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1 b		X
*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1 c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3	X	
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4 a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4 b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► AR			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8 b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► KIM ASHCRAFT Telephone no ► 501-225-2020

Located at ► 11224 EXECUTIVE CENTER DR LITTLE ROCK AR ZIP + 4 ► 72211-4320

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** — Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country ►			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

			Yes	No
1 a	During the year did the foundation (either directly or indirectly):			
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
(6)	Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1 b		X
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1 c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☒ No If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement — see instructions)	2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__ .			
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2013 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.)*	3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4 b		X

Part VII-B | Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
SEE STATEMENT 5		3,475.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 — see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ► 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ►		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 SEE STATEMENT 6	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 ►	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a	Average monthly fair market value of securities	1a	
b	Average of monthly cash balances	1b	306,138.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	306,138.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	306,138.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	4,592.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	301,546.
6	**Minimum investment return.** Enter 5% of line 5	6	15,077.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	15,077.
2a	Tax on investment income for 2013 from Part VI, line 5 — 2a:		
b	Income tax for 2013 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments Subtract line 2c from line 1	3	15,077.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	15,077.
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	15,077.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes.		
a	Expenses, contributions, gifts, etc — total from Part I, column (d), line 26	1a	2,000.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	2,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,000.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII **Undistributed Income** (see instructions)

		(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7					15,077.
2 Undistributed income, if any, as of the end of 2013					
a Enter amount for 2012 only				0.	
b Total for prior years: 20 __, 20 __, 20 __			0.		
3 Excess distributions carryover, if any, to 2013					
a From 2008	32,839.				
b From 2009	13,618.				
c From 2010	24,500.				
d From 2011	19,504.				
e From 2012					
f **Total** of lines 3a through e		90,461.			
4 Qualifying distributions for 2013 from Part XII, line 4: ► $ 2,000.					
a Applied to 2012, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required — see instructions)			0.		
c Treated as distributions out of corpus (Election required — see instructions)		0.			
d Applied to 2013 distributable amount					2,000.
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2013 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		13,077.			13,077.
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		77,384.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions			0.		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount — see instructions				0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)		19,762.			
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a		57,622.			
10 Analysis of line 9					
a Excess from 2009	13,618.				
b Excess from 2010	24,500.				
c Excess from 2011	19,504.				
d Excess from 2012					
e Excess from 2013					

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling ►

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a 'Assets' alternative test – enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year – see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**

Check here ► ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

SEE STATEMENT 7

b The form in which applications should be submitted and information and materials they should include

SEE STATEMENT FOR LINE 2A

c Any submission deadlines.

SEE STATEMENT FOR LINE 2A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
UALR SCHOLARSHIP FUND 2801 S. UNIVERSITY LITTLE ROCK, AR 72204	NONE	PUBLIC	CONTRIBUTION TO THE SCHOLARSHIP FUND FOR A STUDENT IN THE SCHOOL OF BUSINESS, REAL ESTATE DEPARTMENT, AT THE UNIVERSITY OF ARKANSAS AT LITTLE ROCK. THE SCHOLARSHIP RECIPIENT IS DETERMINED BY UALR.	2,000.
Total			► 3a	2,000.
b *Approved for future payment*				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	15.	
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue.					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				15.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 15.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions.)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1) Cash	**1 a (1)**		X
(2) Other assets	**1 a (2)**		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	**1 b (1)**		X
(2) Purchases of assets from a noncharitable exempt organization	**1 b (2)**		X
(3) Rental of facilities, equipment, or other assets	**1 b (3)**		X
(4) Reimbursement arrangements	**1 b (4)**		X
(5) Loans or loan guarantees	**1 b (5)**		X
(6) Performance of services or membership or fundraising solicitations	**1 b (6)**		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**1 c**		X

d If the answer to any of the above is 'Yes,' complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements
N/A			

2 a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If 'Yes,' complete the following schedule.

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 5/13/15 Title:

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MICHAEL G. CRAIG	[signature]	5-7-15		P00014666

Firm's name ► KNAPP, CRAIG & RUGG, P.A. Firm's EIN ► 71-0654756

Firm's address ► 1501 N UNIVERSITY, SUITE 245
LITTLE ROCK, AR 72207 Phone no (501) 664-5434

Form **8868** (Rev January 2014)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

► Information about Form 8868 and its instructions is at *www.irs.gov/form8868.*

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . ► [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extention on a previously filed Form 8868.

Electronic filing *(e-file).* You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only ► [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions ARKANSAS REAL ESTATE FOUNDATION INC	Employer identification number (EIN) or 74-2418473
File by the due date for filing your return See instructions	Number, street, and room or suite number If a P O box, see instructions 11224 EXECUTIVE CENTER DR	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions LITTLE ROCK, AR 72211-4320	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► KIM ASHCRAFT

  Telephone No ► 501-225-2020 Fax No ►
- If the organization does not have an office or place of business in the United States, check this box ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____ . If this is for the whole group, check this box ► [ ] . If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 2/15, 20 15, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► [ ] calendar year 20 ____ or

► [X] tax year beginning 7/01, 20 13, and ending 6/30, 20 14

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3 a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	$ 2.
c Balance due. Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ► [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print		
	Name of exempt organization or other filer, see instructions. ARKANSAS REAL ESTATE FOUNDATION INC	Employer identification number (EIN) or 74-2418473
File by the extended due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O box, see instructions KNAPP, CRAIG & RUGG, P.A. 1501 N UNIVERSITY, SUITE 245	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions LITTLE ROCK, AR 72207	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of ► KIM ASHCRAFT
  Telephone No. ► 501-225-2020 Fax No. ►
- If the organization does not have an office or place of business in the United States, check this box ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____ If this is for the whole group, check this box ► [ ]. If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 5/15, 20 15.

5 For calendar year ____, or other tax year beginning 7/01, 20 13, and ending 6/30, 20 14.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension SEE ATTACHMENT

8 a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	**8 a**	$ 0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	**8 b**	$ 2.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	**8 c**	$ 0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ► Michael S C[illegible] Title ► CPA Date ► 2-13-15

ARKANSAS REAL ESTATE FOUNDATION INC 74-2418473

EXPLANATION OF EXTENSION

MANAGEMENT HAS BEEN UNABLE TO ACCUMULATE ALL OF THE FINANCIAL INFORMATION NECESSARY FOR THE PREPARATION AND FILING OF A COMPLETE AND ACCURATE FORM 990 FOR THE YEAR ENDED JUNE 30, 2014. ACCORDINGLY, ADDITIONAL TIME TO FILE IS REQUESTED. THE ORGANIZATION HAS PREVIOUSLY BEEN GRANTED THE AUTOMATIC THREE-MONTH EXTENSION.

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARTION FEES	$ 635.	$ 159.		
TOTAL	$ 635.	$ 159.	$ 0.	$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX ON INVESTMENT INCOME	$ 141.			
TOTAL	$ 141.	$ 0.	$ 0.	$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	$ 190.	$ 47.		
SUPPLIES	65.			
TOTAL	$ 255.	$ 47.	$ 0.	$ 0.

STATEMENT 4
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

DUE TO AFFILIATE	$ 1,650.
TOTAL	$ 1,650.

STATEMENT 5
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JACKIE KEENE 1280 E. STEARNS FAYETTEVILLE, AR 72703	DIRECTOR 1.00	$ 0.	$ 0.	$ 0.
STUART MACKEY P O BOX 3730 LITTLE ROCK, AR 72203	SEC-TREAS 1.00	0.	0.	0.
DOUG SMITH 11621 RAINWOOD RD LITTLE ROCK, AR 72212	DIRECTOR 1.00	0.	0.	0.
TRACEY RANCIFER 10515 W MARKHAM LITTLE ROCK, AR 72205	DIRECTOR 1.00	0.	0.	0.
KIM ASHCRAFT 11224 EXECUTIVE CENTER DRIVE LITTLE ROCK, AR 72211	DIRECTOR 1.00	3,475.	0.	0.
BILL LADD P O BOX 112 RUSSELLVILLE, AR 72811	VICE CHAIRMAN 1.00	0.	0.	0.
LOU TAYLOR 615 MAIN ST. PINE BLUFF, AR 71601	DIRECTOR 1.00	0.	0.	0.
GARY ISOM 612 S SUMMIT STREET LITTLE ROCK, AR 72201	DIRECTOR 1.00	0.	0.	0.
KENT DOVER 4039 CENTRAL AVE. HOT SPRINGS, AR 71913	CHAIRMAN 1.00	0.	0.	0.
PAULETTE RICHIE 612 OFFICE PARK DRIVE BRYANT, AR 72022	DIRECTOR 1.00	0.	0.	0.
	TOTAL	$ 3,475.	$ 0.	$ 0.

STATEMENT 6
FORM 990-PF, PART IX-A, LINE 1
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

DIRECT CHARITABLE ACTIVITIES	EXPENSES
N/A -- IN YEAR ENDED JUNE 30, 2014, ARKANSAS REAL ESTATE FOUNDATION, INC. HAD NO DIRECT CHARITABLE ACTIVITIES. INSTEAD, ACTIVITY WAS LIMITED TO MAKING GRANTS TO QUALIFYING ORGANIZATIONS TO BE USED IN CARRYING OUT THEIR OWN TAX-EXEMPT FUNCTIONS.	

STATEMENT 7
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	ARKANSAS REAL ESTATE FOUNDATION, INC.
CARE OF:	ARKANSAS REALTORS ASSOCIATION
STREET ADDRESS:	11224 EXECUTIVE CENTER DRIVE
CITY, STATE, ZIP CODE:	LITTLE ROCK, AR 72211-4320
TELEPHONE:	501-225-2020
E-MAIL ADDRESS:	
FORM AND CONTENT:	WRITTEN APPLICATION INDICATING PURPOSE AND ANTICIPATED RESULTS.
SUBMISSION DEADLINES:	NONE
RESTRICTIONS ON AWARDS:	REQUEST SHOULD SHOW BENEFIT TO ARKANSAS REAL ESTATE INDUSTRY.

Bylaws of

Arkansas Real Estate Foundation, Inc.

Article 1

Offices

The business office of the corporation in the State of Arkansas shall be located c/o Arkansas REALTORS® Association, ~~204 Executive Court, Suite 100, Little Rock, Arkansas 72205~~ **11224 Executive Center Drive, Little Rock, AR 72211**. The corporation may have such other offices, either within or without the State of Arkansas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

The Corporation shall also have and continuously maintain in the State of Arkansas a registered office, and a registered agent whose office is identical with such registered office, as required by the Arkansas Nonprofit Corporation Act, which shall be as set forth in the Articles of Incorporation of the Corporation. The registered office may be, but need not be, identical with the business office in the State of Arkansas, and the address of the registered office and name of the registered agent may be changed from time to time by the Board of Directors as provided by law.

Article 2

Members

Section 1 – Members: The Corporation shall have no members other than the directors.

Article 3

Rights and Liabilities of Directors

Section 1 – Property Interest of Directors: No director of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, either prior to or at the time of any liquidation or dissolution of the Corporation.

Section 2 – Non-Liability for Debts: The private property of the directors shall be exempt from execution or other liability for any debts of the Corporation and no director shall be liable or responsible for any debts or liabilities of the Corporation.

Section 3 – Indemnification: Each present or future director or officer of the Corporation shall be indemnified by the Corporation against expenses, including attorney's fees, reasonably incurred by him or her in connection with the defense of any action, suit, or proceeding to which he or she is made a party by reason of being or having been a director or officer of the Corporation, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. In the event of a compromise or settlement of such action, suit or proceeding before final adjudication thereof, indemnification shall be provided only in connection with such matters as to which the Corporation is advised by counsel selected by the Board of Directors that the director or officer to be indemnified was not liable for negligence or misconduct in the performance of duty. The indemnification hereinabove provided shall, in the case of death of a director or officer, inure to the benefit of his **or her** estate.

Article 4

Board of Directors

Section 1 – General Powers: Subject to the Articles of Incorporation, these Bylaws and the laws of the State of Arkansas, the business and affairs of the Corporation shall be managed by a Board of not less than five (5) nor more than fifteen (15) directors which shall exercise all of the powers of the Corporation. To the extent the initial number of directors designated in the Articles of Incorporation or the number of directors elected at any annual meeting is less than the maximum number permitted, the Board of Directors may, at any regular or special meeting, elect such additional directors as it may choose, subject to the limitations and requirements set forth herein and in the Articles of Incorporation, as amended.

Section 2 – Executive Committee: The Board of Directors shall elect from their number an Executive Committee, consisting of the President, the Vice President, ~~and~~ the Secretary**, and Treasurer** at their annual meeting. The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the business and affairs of the Corporation between meetings of the Board. All the provisions of the Bylaws shall apply to the Executive Committee in the same manner and to the same extent as they apply to the Board of Directors.

Section 3 – Other Committees: Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be appointed in such manner as may be designated by a resolution adopted by the Board of Directors. Except as otherwise provided in such resolution, members of each such committee shall be directors of the Corporation, and the President of the Corporation shall appoint the members thereof. Any member thereof may be removed by the President whenever in his or her judgment the best interests of the Corporation shall be served by such removal. One member of each committee shall be appointed chairman by the President **annually**.

Vacancies in the membership of any committee may be filled by appointments in the same manner as provided in the case of the original appointments.

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Each committee may adopt rules for its procedure not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Section 4 – Terms of Office: The initial members of the Board of Directors shall be designated in the Articles of Incorporation. Each subsequent director selected to replace a director whose tenure is then expiring shall be appointed by one of the organizations designated in Section ~~17-35-603~~ **17-42-603** (1992 REPL.) of Arkansas Code Annotated.

Newly elected directors shall hold office for three years or until a successor is duly elected, provided however, that the term of existing directors shall not be changed. All vacancies in the Board of Directors shall be filled for an unexpired term in the same manner.

Section 5 – Removal from Office: The Board of Directors in an annual meeting or special meeting called for said purpose, may, by a majority vote of the members of the Board present at said meeting, remove any person from his or her position as a member of the Board of Directors for any cause.

Section 6 – Compensation: Directors shall not receive any salary for their services, but by the resolution of the Board of Directors actual travel expenses, if any, may be paid for attendance at any regular or special meeting or while engaged in specific tasks requested by the Board. A director of the Corporation may perform legal services for the Corporation and be paid reasonable fees therefore; otherwise no director shall received compensation for service to the Corporation in any other capacity, nor shall any close relative of a director or officer receive compensation for serving the Corporation. The term “close relative” as used herein shall mean any brother or sister of any incumbent director or officers, the forebears and descendants of a director or officer or any such brother or sister and any spouse of an incumbent director or officer or any aforesaid person. ~~Nothing in this section shall prohibit a member of the Board~~

~~from doing business with the Corporation and receiving payment from the Corporation for the furnishing of materials, supplies, merchandise or service~~.

Article 5

Meetings of Directors

Section 1 – Regular Annual Meeting: The regular annual meeting of the directors shall be held ~~on the second Tuesday of September, beginning in the year 1989, in Little Rock, Arkansas (the "city"), at the business office of the corporation~~ **in conjunction with the Winter Meetings of the Arkansas REALTORS® Association** , for the purpose of electing directors and officers, passing upon reports of the previous fiscal year and transacting such other business as my come before the meeting. The meeting may be held in a location other than the one specified above provided all directors entitled to vote are given at least three (3) days' notice of the change in location. Failure to hold the annual meeting at the time designated shall not work forfeiture or dissolution of the Corporation and in the event of such a failure, the annual meeting shall be held within a reasonable time thereafter.

Section 2 – Special Meetings: A special meeting of the Board of Directors may be called by the President or any three (3) directors, ~~or by any two (2) interim directors~~, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The person or persons calling the meeting shall fix the time and place (which may or may not be in the City) for holding of the meeting.

Section 3 – Notice of Directors' Meeting: ~~Notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director not less than three (3) days previous thereto either personally or by mail, by or at the direction of the Secretary or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his or her address as it appears on the records of the Corporation with postage thereon prepaid~~. **A notice of each meeting shall be given to directors not less than three (3) business days prior to the meeting unless waived. Notices shall be in writing delivered personally to each Director at his or her business address or by facsimile or electronic transmission.**

Section 4 – Quorum: Except as provided in Article X, a majority of the members of the Board of Directors shall constitute a quorum, provided that if less than such majority of the directors is present at a meeting, a majority of the directors may adjourn the meeting; and provided further that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at the meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5 – 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 actions so taken, shall be signed by all of the directors entitled to vote thereon.

Article 6

Officers

Section 1 – Number: The officers of the Corporation shall be a President, Vice President, Secretary and Treasurer and such other officers as may be determined by the Board of Directors from time to time to perform such duties as may be designated by the Board of Directors. Each of the officers shall be a director.

Section 2 – Election and Term of Office: The officers shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meetings, such election shall be held as soon thereafter as convenient. Each officer shall hold officer until removal by the Board of Directors, the next regular annual meeting of the Board of Directors or until a successor shall have been elected; provided that if an officer is a member of the Commission, the office held shall be deemed vacant when such person ceases to be a member of the Commission. Except as otherwise provided in these Bylaws, a vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section 3 – Removal of Officers and Agent by Directors: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

Section 4 – President: The President~~, who shall initially be the Chairman of the Commission~~:

a. Shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation subject to the advice and consent of the Board of Directors;
b. Shall preside over all meetings of the Board of Directors;
c. May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed in cases in

which the signing and executive thereof shall be expressly delegated by the Board of Directors, or by these Bylaws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and

d. Shall in general perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5 – Vice President: ~~The Vice President shall initially be the Vice Chairman of the Commission.~~ In the absence of the President or in the event of his **or her** inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 6 – Treasurer: The Treasurer shall:

a. have charge and custody of and be responsible for all funds and securities of the Corporation;
b. be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provision of these Bylaws;
c. Shall disburse funds of the Corporation as my be ordered by the Board, taking proper vouchers for such disbursements;
d. Shall render to the President and Directors, at regular annual meetings of the Board, or whenever they require, an accounting of any transactions and the financial condition of the Corporation;
e. Have general charge of the books of the Corporation; and
f. In general perform all such other duties as from time to time assigned to him by the President or Board of Directors.

Section 7 – Secretary: The Secretary shall:

a. Keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose;
b. See that all notices are duly given in accordance with these Bylaws or as required by law;
c. Be custodian of the corporate records and of the seal of the corporation and affix the seal of the Corporation to documents, the executive of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws;
d. Keep a register of the names and post office addresses of all directors and officers;

e. Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Corporation containing all amendments thereto (which copy shall always be open to the inspection of any director), and at the expense of the Corporation, forward a copy of the Bylaws and of all amendments thereto to each director; and
f. In general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the President or Board of Directors.

Section 8 – Executive Director: The Executive Director shall:

a. Arrange, in cooperation with the Treasurer, for the disbursement of funds of the Corporation as required in the Articles or for other purposes approved by the Board;
b. Recommend to the Board fundraising projects to be undertaken by the Corporation and oversee such projects are approved by the Board; and
c. In general perform such other duties as from time to time may be assigned to him by the President or the Board.

Section 9 – Bonds of Officers: The Treasurer, Executive Director and any other officer or agent of the Corporation charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent, or employee of the Corporation to give bond in such amount and with such surety as it shall determine.

Section 10 – Compensation: The powers, duties and compensation, if any, of officers, agents and employees shall be fixed by the Board of Directors.

Article 7

Non-Profit Operation

The corporation shall at all times be operated on a non-profit basis, shall be operated for the charitable purposes for which the Corporation was created, and no interest or dividends shall be paid or payable by the Corporation to any director as such.

Article 8

Financial Transactions

Section 1 – Contracts: Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2 – Checks, Drafts, Etc: All checks, drafts, or other orders for payment of money and all notes, bonds or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or Executive Director and countersigned by the President**, Vice President** or Secretary of the Corporation.

Section 3 – Deposits: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks, trust companies or other depositories or financial institutions, as the Board of Directors may select.

Section 4 – Fiscal Year: The fiscal year of the Corporation shall mean a twelve month period commencing July1 of each and every ear and shall end on the following June 30.

Section 5 – Gifts: The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or any special purpose of the Corporation.

Article 9

Books, Records and Audits

Section 1 – Books and Records: The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. Such books, records and minutes shall be kept at the business office of the Corporation. The Corporation shall also keep at the registered office a record of the names and addressed of the directors.

Section 2 – Audits: The Corporation shall cause ~~audits~~ **review** of all its books, **accounting practices** and records to be performed by a firm of independent certified public accountants at least annually. Copies of the ~~audits~~ **review** shall be provided to the Board of Directors ~~for its review~~.

Article 10

Alteration, Repeal or Amendment

These Bylaws may be altered, repealed or amended by the affirmative vote of a majority of the whole Board of Directors at any regular or special meeting of the Board, provided that notice of a proposal to make, alter, amend or repeal shall be included in the notice of such meeting or waived in writing either before or after such meeting by those directors who do not attend such meeting.

Article 11

Miscellaneous

Section 1 – Waiver of Notice: Any director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting by such director, except in the case where a director shall attend a meeting of the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section 2 – Rules and Regulations: The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable for the management of the business and affairs of the Corporation.

Article 12

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation (or an abbreviation thereof) and the words “Corporate Seal” or “Seal”.

~~Article 13~~

~~Waiver of Notice~~

~~Whenever any notice is required to be given under the provisions of the laws of the State relating to the nonprofit corporations or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.~~