
BYLAWS

OF

Lifeline of Galveston County

Approved October 2023

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BYLAWS
OF
LIFELINE OF GALVESTON COUNTY RESCUE

These bylaws (the “Bylaws”) govern the affairs of LIFELINE OF GALVESTON COUNTY, a Texas nonprofit corporation (the “Corporation”).

ARTICLE I
NAME, INCORPORATION, PURPOSES AND MEMBERS

Name; Incorporation. The name of the Corporation is Lifeline of Galveston County. The articles of incorporation of the Corporation (as amended from time to time, the “Articles of Incorporation”) were filed in the office of the Secretary of State of the State of Texas on 9/3/2020.

Purposes. The Corporation is organized and shall be operated exclusively for charitable purposes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or the corresponding section of any future federal tax code. In furtherance of the foregoing, the purposes for which the Corporation is organized and to be operated include, among other things:

(a) operating a fully staffed adoption center for the purpose of providing shelter and care to homeless dogs and cats

(b) facilitating safe and secure adoptions of these homeless dogs and cats to adopters

(c) providing veterinary care and temporary foster homes, as needed, for the above-mentioned dogs and cats;

(d) conducting fundraisers and providing other monetary support for the purposes of the Corporation;

(e) as necessary, assisting in the search for permanent or foster placement of animals in need through the use of email groups, social media, sms campaigns and other outreach efforts;

(f) conducting community outreach efforts for owned pets to lessen the strain on municipal shelter partners; and:

(g) performing such other functions as may be necessary or appropriate to fulfill the purposes of the Corporation.

This Corporation shall be authorized to engage in any lawful activity for which nonprofit corporations may be formed under the Texas Business Organizations Code (the “Act”) that are incidental and necessary to the foregoing. The broadest discretion is vested in and conferred upon the board of directors of the Corporation (the “Board of Directors”) for the accomplishment of these purposes.

Member. The Corporation shall have no members.

ARTICLE II OFFICES AND REGISTERED AGENT

Principal Place of Business. The principal place of business of the Corporation is located at 100 E Nasa Parkway, Ste 55, Webster, TX, 77598. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation’s registered office, as required by the Act. The registered office may, but need not, be identical to the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

BOARD OF DIRECTORS

Powers. The property, business, and affairs of the Corporation shall be managed and controlled by the Board of Directors and, subject to the restrictions imposed by law, the Articles of Incorporation and these Bylaws, the Board of Directors shall exercise all of the powers of the Corporation.

Number of Directors. The Board of Directors shall have eight (8) directors named in the Articles of Incorporation. The number of directors may be increased or decreased from time to time by amendment of these Bylaws in accordance with the provisions of Article XII, *provided* that the number of directors shall never be less than three (3), and *provided further* that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

Appointment and Term: Directors shall be elected by a majority vote of the other directors of the Corporation and can serve for multiple years. Directors' terms shall be initially set at one (1) year but may be extended upon reappointment. The Board may choose to organize directors into classes, and the terms of office for these classes may vary. Each director will remain in office until either (a) their appointed term concludes and their successor has been appointed and qualified, or (b) they pass away, resign, or are removed as specified hereinafter.

Removal. Any director may be removed from office with or without cause, by the affirmative vote of a majority of the other directors of the Corporation. [A director who is absent from three (3) consecutive regular meetings of the Board of Directors during a fiscal year is

encouraged to reevaluate with the Chairperson his or her commitment to the Corporation. The Board of Directors may deem a director who has missed three consecutive meetings, without such a reevaluation, effective as of the next regular meeting of the Board of Directors following such consecutive absences, to have resigned from the Board of Directors.]¹

Vacancies. Any vacancy (other than resulting from completion of a term) occurring in the office of a director, whether by death, resignation, removal, or otherwise, shall be filled as soon as practicable by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy arising other than as a result of the completion of the term of a director shall be elected for the unexpired term of, and shall be a member of the same class as, his or her predecessor in office. Any vacancy to be filled by reason of an increase in the number of directors shall be filled by election at any meeting of the Board of Directors.

Meetings of Directors. The directors may hold meetings, maintain an office, and keep the Corporation's books and records at such place or places within or without the State of Texas as the Board of Directors may from time to time determine; *provided, however*, that in the absence of any such determination, such place shall be the Corporation's principal office in the State of Texas.

Annual Meetings. The annual meeting of the Board of Directors ("Annual Meeting") shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors, at an agreed upon location for the purpose of (a) electing officers for the ensuing year, and (b) transacting such other business as may be properly brought before such Annual Meeting. Notice of Annual Meetings shall not be required.

Regular Meetings. Regular meetings of the Board of Directors ("Regular Meetings") shall be held monthly at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of Regular Meetings shall be required.

Special Meetings. Special meetings of the Board of Directors ("Special Meetings") may be called by (a) the Chairperson of the Board, (b) a Vice-Chairperson of the Board, (c) the President (or a Co-President), or (d) the Secretary, if the Secretary is requested to do so in writing, including notice by email, by any two (2) directors. The person or persons authorized to call the Special Meeting shall fix the time and place for the Special Meeting. Notice of Special Meetings shall be required and such notice must include a description of the purpose or purposes for which the Special Meeting is being called.

Notice and Waivers of Notice. The Secretary shall give notice of the date, time and place of each Annual, Regular, or Special Meeting to each director in person, by facsimile transmission, by mail, by email, by telephone (including voicemail) or SMS text message, at least five (5) days before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Corporation's purposes may be considered and acted upon at such meeting.

Quorum and Voting. A majority of the then acting directors shall constitute a quorum for the consideration of any matters pertaining to the Corporation's purposes and the transacting of business at any meeting of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting without further notice. A director participating virtually in compliance with these Bylaws shall be counted towards fulfilling a quorum. The affirmative 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 otherwise required by law, the Articles of Incorporation, or these Bylaws.

Section II.14 Action By Consent of Board Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, and shall have the same force and effect as a majority vote of Directors, if majority members of the Board consent to the action in writing including text message, email or written. Such consent may be given individually or collectively.

Section 2.15 Telephone, Video Conference, or Electronic Meetings. Subject to the notice provisions required by these Bylaws and by the Business Corporation Act, Directors may participate in and hold a meeting by means of conference call, video conference, or similar electronic communication by which all persons participating can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, at such meeting, except participation for the express purpose of objecting to the transaction of any business of the ground that the meeting is now lawfully called or convened.

Proxies. A director may vote in person or via a written proxy, including by email. Each written proxy should be submitted to the Chairperson or Secretary prior to the meeting. A written proxy shall cover only items specific to the meeting's agenda. No proxy shall be valid after three (3) months. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Conduct of Business. At meetings of the Board of Directors, matters pertaining to the Corporation's purposes shall be considered. At all meetings of the Board of Directors, the Chairperson shall preside, and in the absence of the Chairperson, a presiding director shall be chosen by the Board of Directors from among the directors present. The presiding director of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business. The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the Chairperson may appoint any person to act as secretary of the meeting.

Compensation of Directors; Expenses. Directors shall not receive any salary or other compensation for their services as directors; *provided, however*, that nothing contained herein shall be construed as precluding any director from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a director) that are reasonable and necessary in carrying out the Corporation's purposes as the Board of Directors may from time to time determine. A director shall be entitled to reimbursement for reasonable expenses incurred by him or her in carrying out his or her duties as a director.

ARTICLE III COMMITTEES

Board 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.

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

The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting of such committee and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint the designated alternate director to act at that meeting in the place of the absent or disqualified member.

Removal. Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

ARTICLE IV OFFICERS

Number; Titles; Term of Office. The officers of the Corporation shall consist of a Chairman of the Board, Secretary, and additional board members and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board of Directors. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary. Except for those officers elected at the Corporation's organization meeting held pursuant to Section 3.05 of the Act (the "Organization Meeting"), the term of office for each officer shall be until the next succeeding Annual Meeting at which officers are elected. The term of office for those officers elected pursuant to the Organization Meeting shall be that period of time beginning on the date of the Organization Meeting and ending on the date of the first Annual Meeting. In any event, a duly elected officer shall serve in the office to which he or she is elected until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation, or removal.

Removal. Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an officer or agent or member of a committee shall not of itself create any contract rights.

Vacancies. The Board of Directors may select a person to fill a vacancy occurring in any office of the Corporation.

Powers and Duties of the President(s). The President shall be the Executive Director of the Corporation. Subject to the control of the Board of Directors, the President shall have general executive charge, management, and control of the properties, business, and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness, and other obligations in the name of the Corporation subject to the approval of the Board of Directors; and shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to such officer from time to time by the Board of Directors.

Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; shall attend to the giving and serving of all notices; in furtherance of the Corporation's purposes and subject to the limitations contained in the Articles of Incorporation, may sign with the President in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; shall have charge of the Corporation's books, records, documents, and instruments, except the books of account and financial records and securities, and such other books and papers as the Board of Directors may direct, all of which shall be open at reasonable times to the inspection of any director upon application at the Corporation's office during business hours; and shall in general perform all duties incident to the office of Secretary subject to the powers and supervision of the Board of Directors.

Compensation of Officers. Officers shall be entitled to receive a salary or other compensation in a reasonable amount for such personal services rendered that are necessary and reasonable in carrying out the Corporation's purposes as the Board of Directors may from time to time determine; *provided, however*, that in no event shall such salary or other compensation be excessive. Reasonable expenses incurred on behalf of the Corporation by an officer will be reimbursed and will not constitute compensation.

ARTICLE V MISCELLANEOUS PROVISIONS

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

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

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

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

Action Without a Meeting of Directors or Committees. Any action required by law, the Articles of Incorporation or these Bylaws to be taken at a meeting of the Board of Directors or any committee thereof, or any action which may be taken at a meeting of the Board of Directors or of any committee thereof, may be taken without such a meeting if the number of directors of the Board of Directors or members of the committee necessary to take such action at a meeting at which all of the directors or committee members are present and voting consent in writing to taking the action without a meeting and to approving the specific action. Such consent shall have the same force and effect as a vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State. Each written consent must be signed and bear the date of signature of the person signing it. A photographic, facsimile, email or similar reproduction of a signed writing will be treated as an original signed by the director. As soon as

practicable after the taking of an action by directors or a committee without a meeting by less than unanimous written consent, notice shall be given to each director or committee member who did not consent in writing to the action.

Section V.7 Virtual Meetings. Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors or members of any committee may participate in and hold a meeting of such Board of Directors, or committee, as the case may be, by means of conference telephone or any similar communications equipment by means of which all persons participating in the meeting can hear each other or by another suitable electronic communications system, including video conferencing technology or the Internet, only if (a) each person entitled to participate in the meeting consents to the meeting being held by means of that system and (b) the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. Participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE VI 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. The Board of Directors may select the amount and limits of such insurance policies. Any amendment to this Article VII 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. The rights to indemnification and to the advance of expenses conferred in this Article VII shall not be exclusive of any other right which any person may have or hereafter acquire under the Articles of Incorporation, these Bylaws, any statute, agreement, vote of the Board of Directors or otherwise.

ARTICLE VII CONFLICT OF INTEREST POLICY

Purpose. The purpose of the conflict of interest policy (the “Conflict 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. The Conflict of Interest Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations. Further, the Conflict of Interest Policy does not preclude a director from transacting business with the Corporation provided disclosure is made.

Definitions.

(a) Interested Person. Any director, principal officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

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

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

(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.

Procedures.

(a) Duty to Disclose. 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) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) 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.

(ii) The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) 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 or interest.

(iv) 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.

(d) Violations of the Conflicts of Interest Policy.

(i) 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.

(ii) 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.

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.

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.

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 has received and read a copy of the Conflicts of Interest Policy, understands the content and agrees to comply with the Conflicts of Interest Policy, and 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.

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 pose potential conflicts of interest or that could jeopardize its status as an organization exempt from federal income tax, periodic reviews of the Corporation's operations shall be conducted.

Use of Outside Experts. In conducting the periodic reviews provided for in Section 8.7 above, 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 FINANCIAL ADMINISTRATION²

Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

(a) Section 8.2 Approval of Contracts: The Board of Directors shall approve any contract that creates a financial obligation in excess of \$3,000 on behalf of the Corporation in advance of acceptance of the contract.

Reimbursement. Requests for reimbursement by any member of the Board of Directors, officer or agent must be submitted within six (6) months of the date the expense is incurred. The request for reimbursement must be accompanied by receipts and any other supporting documents matching the amount requested for reimbursement.

Annual Financial Statements. Complete financial statements prepared in conformity with generally accepted accounting principles accompanied by an audit report of an independent certified public accountant may be presented to and reviewed by the Board of Directors after the close of each fiscal year. Financial statements should include: (i) significant categories of contributions and other income; (ii) expenses reported in categories corresponding to the description of major programs and activities contained in the Corporation's annual report, solicitations and other informational materials; (iii) a detailed schedule of expenses by natural classification (e.g., salaries, employee benefits, occupancy, postage, etc.), representing the natural expenses incurred for each major program and supporting activity; (iv) accurate presentation of all fund-raising and administrative costs; and (v) total costs and the basis for

² NTD: Articles 9-11 to be discussed with client.

allocating any fund-raising or other expenses associated with multi-purpose activities (e.g., fund raising combined with social advocacy or public education campaigns).

Audit. The Board of Directors may authorize an audit of the Corporation.

Contracts. The Board of Directors may authorize any officer(s) or agent(s) of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation and to generally perform all acts necessary for a full exercise of the powers vested in the Board of Directors.

Investments. The Corporation shall have the right to retain all or any part of any real, personal, tangible or intangible property acquired by it and, pursuant to the direction of the Board of Directors, to invest and reinvest any funds held by it.

Exempt Activities. The Corporation shall take no action and shall not engage in any activity that would invalidate its status as a corporation that is exempt from federal income taxation as an organization described in section 501(c)(3) of the Code, or the corresponding section on any future federal tax code. The Corporation shall only attempt to influence legislation to the extent permitted under section 501(c)(3) of the Code, or the corresponding section of any future federal tax code. The Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. The Corporation will not operate for the private benefit of any person, and the assets and activities of the Corporation will not inure to the benefit of any officer, director or any other person with substantial influence over the operation of the Corporation.

Power of Attorney. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary to be kept with the corporate books and records; *provided, however*, no power of attorney shall be used for casting a vote as director.

ARTICLE IX RECORDS

Recordkeeping. The Corporation will keep correct and complete corporate books and records of account. The corporate books and records will include:

(a) a file-stamped copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation and statement of change of registered office or registered agent;

(b) a copy of all bylaws, including these Bylaws, and any amended versions or amendments to them;

(c) minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors;

(d) a list of the names and addresses of the directors, officers and any committee [and Advisory Council] members of the Corporation;

(e) a financial statement showing the Corporation's assets, liabilities and net assets;

(f) a financial statement showing the Corporation's income and expenses for the seven (7) most recent fiscal years;

(g) all rulings, letters and other documents relating to the Corporation's federal, state, and local tax status; and

(h) the Corporation's federal, state and local tax information or income-tax returns for each of the Corporation's seven (7) most recent tax years.

ARTICLE X DISSOLUTION

Dissolution. Upon the necessity for the dissolution of the Corporation, the Board of Directors shall oversee such process and ensure compliance with all relevant provisions of the Act and other applicable state and federal statutes, including section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, and the Treasury regulations promulgated thereunder.

No Right of Directors to Assets. In the event of dissolution of the Corporation, no director shall have any rights nor receive any assets of the Corporation. The assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XI AMENDMENTS; LEGAL INTERPRETATION

Amendment. These Bylaws may be altered, amended, or repealed by the affirmative vote of a majority of the Board of Directors of the Corporation at any meeting where a quorum is present.

Legal Authorities Governing Construction of Bylaws. These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction. If any bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision, and

the Bylaws will be construed as if they had not included the invalid, illegal or unenforceable provision.