

**BYLAWS**  
**OF**  
**INTERNATIONAL ASSOCIATION FOR HOSPICE**  
**AND PALLIATIVE CARE, INC.**

These Bylaws (referred to as the “Bylaws”) govern the affairs of International Association for Hospice and Palliative Care, Inc., a nonprofit corporation (referred to as the “Corporation”) organized under the Texas Non-Profit Corporation Act (referred to as the “Act”).

ARTICLE 1

OFFICES

**Principal Office**

1.01. The principal office of the Corporation in the State of Texas shall be located at 27 Windermere Lane, Houston, Texas 77063. The Corporation may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation.

**Registered Office and Registered Agent**

1.02. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 2

BOARD OF DIRECTORS

**Management of the Corporation**

2.01. The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors, subject to limitations imposed by law, the Articles of Incorporation, or by these Bylaws.

**Action By Consent of Board Without Meeting**

2.02. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, and with the same force and effect as a unanimous vote of Directors, if all members of the Board consent in writing to the action. Such consent may be given individually or collectively.

**Number, Qualifications, and Tenure of Directors**

2.03. The powers of the Corporation shall be exercised by or under the authority of, and the property, business and affairs of the Corporation shall be managed under the direction of a board of not less than three (3) and not more than thirty-five (35) directors, as may be determined by the board of directors from time to time, provided that the number of directors shall not be decreased to less than three (3) and that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. The initial Board of Directors shall be appointed by the incorporator and divided into three classes of equal numbers (to the extent possible). The term of office for director of the first class shall expire at the first annual meeting; the terms of the second class shall expire at the second annual meeting; and the term of the third class shall expire at the third annual meeting. Beginning with the first annual meeting, the directors of the corporation shall elect directors to three year terms. In addition to the elected directors, the members of the Board of Directors may appoint up to three (3) additional

members of the Board of Directors who shall be voting members of the Board of Directors. The Executive Director shall serve as an ex-officio member of the Board of Directors and shall be a voting member of the Board of Directors.

### **Nomination of Directors**

2.04. Any member who is in good standing or any director may nominate an individual for the position of director. The directors shall elect the new directors. A director or member in good standing may nominate one person with the second of any other director or member in good standing. In addition to nominations made at meetings, a nominating committee may consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nomination committee, and any report of the committee, with the notice of the meeting at which the election occurs.

### **Election of Directors**

2.05. A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. The directors shall be elected by the vote of the Board of Directors. Directors shall be elected at the annual meeting of the Board of Directors, and may occur at any special meeting of the Board of Directors called specifically for that purpose. Each Director shall hold office until a successor is elected and qualified. A Director may be elected to succeed himself or herself as Director.

### **Vacancies**

2.06. Vacancies on the Board of Directors shall exist upon: (a) the death, resignation, or removal of any Director; (b) an increase in the authorized number of Directors; or (c) the failure of the Directors to elect the full authorized number of Directors to be voted for at any annual, regular, or special meeting of the Board of Directors at which any Director is to be elected. The Board of Directors may declare the office of a Director vacant if the Director is adjudged incompetent by a court, is convicted of a crime involving moral turpitude, or does not accept the office of Director, in writing or by attending a meeting of the Board of Directors, within thirty (30) days notice of election. Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors (subject, however, to the limitations set forth in the Texas Non-Profit Corporation Act). A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. Vacancies reducing the number of Directors to less than three (3) shall be filled before the transaction of any other business.

### **Annual Meeting**

2.07. The time, date and place of the annual meeting of the Board of Directors, for the purpose of electing Directors and for the transaction of any other business as may come before the meeting, shall be set from time to time by a majority vote of the Board of Directors. At least thirty (30) days prior notice of the time and place for such meeting shall be given to each director in the manner provided in these Bylaws.

### **Regular Meetings**

2.08. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

### **Special Meetings**

2.09. Special meetings of the Board of Directors may be called by or at the request of the executive director or any two directors. Special meetings of the board may be called by the executive director on two (2) day's notice to each director, either personally or by mail, email, telephone or facsimile. Unless otherwise indicated in the notice thereof or in these Bylaws, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special meeting. At any meeting at which all directors shall be present, in person or by proxy, any matter pertaining to the purposes of the Corporation may be considered and acted upon even though no notice of the meeting was given.

### **Electronic Meetings**

2.10 Meetings may be held in any manner allowed by the Texas Non-Profit Corporation Act including meetings held via e-mail. Notice of meetings as well as the transaction of any business required at a meeting may be given by any electronic medium allowed by law.

### **Notice**

2.11. Notice of any special meeting of the Board of Directors shall be delivered to each director in the manner(s) required by these Bylaws.

### **Quorum**

2.12. One-fifth of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors so long as there are at least three (3) directors constituting a quorum. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains, except as may be otherwise provided by law or the articles of incorporation or these Bylaws. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum shall not be present at beginning of any meeting of directors, the directors present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

### **Conduct of Meetings**

2.13. At every meeting of the Board of Directors, the Chair Person of the Board of Directors, shall preside, or in the Chair Person's absence, the Vice-Chair Person shall preside, or in the absence of the Chair Person and the Vice-Chair Person, the Executive Director shall preside, or in the Executive Director's absence, a Chair Person chosen by a majority of the Directors present shall preside. The Secretary of the Corporation shall act as Secretary of the Board of Directors. When the Secretary is absent from any meeting, the Chair Person, or the person presiding, may appoint any person to act as Secretary of the meeting.

### **Chair Person**

2.14. The Chair Person of the Board of Directors shall supervise all the affairs of the Corporation, shall preside at all meetings of the Board of Directors, shall consult with the other officers on all matters of policy affecting the Corporation and perform such other duties as assigned to him or her by the Board of Directors from time to time.

### **Vice-Chair Person**

2.15.A. The Vice-Chair Person, in the absence of the Chair Person, shall perform the duties of the Chair Person and shall perform such other duties as assigned to him or her by the Chair Person from time to time.

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### **Past Chair Person**

2.15.B. The Past Chair Person shall be the person coming off of an expiring term as Chair Person and the title, benefits and obligations, will apply only to the immediate past chair person. The Past Chair Person shall act as a consultant to the Chair Person by providing information and support on policies, projects, programs, business relations and strategic plans of the Corporation. The Past Chair Person, in the absence of the Chair Person and the Vice Chair person, shall perform the duties of the Chair Person and shall perform such other duties as assigned to him or her by the Chair Person from time to time. The Past Chair Person will have the same rights and obligations of the other Directors.

### **Term of Service**

2.15.C. The Past Chair Person shall serve for a term of three (3) years, and in such capacity shall serve as a member of the Board of Directors.

### **Powers of Board of Directors**

2.16. In addition to the powers and authorities expressly conferred by these Bylaws upon them, the board may exercise all such powers of the Corporation and do all such lawful acts and things as are not directed or required to be exercised or done by statute or the articles of incorporation or these Bylaws.

### **Duties of Directors**

2.17. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of this Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Corporation's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

### **Actions of Board of Directors**

2.18. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a director who is represented by proxy in a vote is considered present.

### **Proxies**

2.19. A director may vote by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

### **Compensation**

2.20. Directors, as such, shall not receive any stated salary for their services, but shall receive such compensation for their services as from time to time may be fixed by resolution of the board of directors. In addition, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special

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meeting of the board by resolution of the board, provided that nothing contained in these Bylaws shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation for such service.

#### **Removal of Directors**

2.21. The Board of Directors may vote to remove a director at any time, with or without good cause. Good cause for removal of a director shall include the unexcused failure to attend three (3) consecutive meetings of the Board of Directors. A meeting to consider the removal of a director may be called and noticed following the procedures provided in the Bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director. A director may be removed by the affirmative vote of fifty percent (50%) of the Board of Directors.

#### **Attendance and Waiver of Notice**

2.22. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

#### **Resignation**

2.23. Any officer may resign at any time by giving written notice to the board of directors or to the executive director, vice president or secretary. Such resignation shall take effect at the time specified in the notice, and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

### **ARTICLE 3**

#### **OFFICERS**

##### **Officer Positions**

3.01. The officers of the Corporation shall be an executive director, a secretary and a treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of executive director and secretary.

##### **General Duties**

3.02. All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority, perform such duties and manage the Corporation as may be provided in these Bylaws or as may be determined by resolution of the board of directors not inconsistent with these Bylaws.

##### **Election and Term of office**

3.03. The secretary and treasurer of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. The Executive Director shall be elected by the Board of Directors at the annual meeting for a term of three years. A vice president may be appointed by the Board of Directors to serve in the absence of an Executive Director or to perform other duties as assigned by the Board of

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Directors. The vice president shall serve until the next annual meeting of the Board of Directors or until the Board of Directors terminates the position. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until his successor is chosen and qualified, or until his death, or until he shall have resigned, or until he shall have been removed in the manner provided in Section 3.04. An officer may be elected to succeed himself or herself in the same office.

#### **Removal**

3.04. Any officer or agent elected or appointed by the board of directors may be removed (with or without cause) by the board of directors whenever in its judgment the best interests of the Corporation will be served by such removal, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

#### **Resignation**

3.05. Any officer may resign at any time by giving written notice to the board of directors or to the executive director, vice president or secretary. Such resignation shall take effect at the time specified in the notice, and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

#### **Vacancies**

3.06. Any vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election or appointment to such office.

#### **Executive Director**

3.07. The executive director of the Corporation will perform the duties normally associated with the president of a corporation. The executive director, who need not be chosen from among the directors, shall have active, executive management of the operations of the Corporation, subject, however, to the control of the board of directors. The executive director shall be the chief executive officer of the Corporation. The executive director shall supervise and control all of the business and affairs of the Corporation. The executive director may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors have authorized to be executed. However, the executive director may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the Bylaws, or statute. The executive director shall perform other duties prescribed by the Board of Directors and all duties incident to the office of executive director.

#### **Vice President**

3.08. When the executive director is absent, is unable to act, or refuses to act, a vice president may be appointed to perform the duties of the executive director. When a vice president acts in place of the executive director, the vice president shall have all the powers of and be subject to all the restrictions upon the executive director. A vice president may be appointed by the board of directors to perform other duties as assigned by the executive director or board of directors.

#### **Treasurer**

3.09. The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.

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- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by the Bylaws or as directed by the Board of Directors or executive director.
- (d) Maintain the financial books and records of the Corporation.
- (e) Prepare financial reports at least annually.
- (f) Perform other duties as assigned by the executive director or by the Board of Directors.
- (g) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (h) Perform all of the duties incident to the office of treasurer.

### **Secretary**

3.10. The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and of the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.
- (e) Keep a register of the mailing address of each director, officer, and employee of the Corporation.
- (f) Perform duties as assigned by the executive director or by the Board of Directors.
- (g) Perform all duties incident to the office of secretary.

### **Assistant Officers**

3.11. The board of directors may appoint one or more assistant secretaries and one or more assistant treasurers. Each assistant secretary and each assistant treasurer shall hold office for such period as the board of directors may prescribe. Any assistant secretary may perform any of the duties or exercise any of the powers of the secretary or otherwise as occasion may require in the administration of the business and affairs of the Corporation, and any assistant treasurer may perform any of the duties or exercise any of the powers of the treasurer at the request or in the absence or disability of the treasurer or otherwise as occasion may require in the administration of the business and affairs of the Corporation. Each assistant secretary and each assistant treasurer shall perform such other duties and/or exercise such other powers, if any, as the board of directors shall prescribe. To establish the authority of an assistant secretary or an assistant treasurer to take any action on behalf of the Corporation in place of the secretary or the treasurer, as the case may be, it shall not be necessary to furnish proof of any request by, or of the absence or disability of, the secretary or treasurer or any other assistant secretary or assistant treasurer, respectively.

### **Salaries**

3.12. The salaries of the officers shall be fixed by, or in accordance with the directions of, the board of directors, and it shall be no objection that the officer in question is a member of the board of directors or that he votes on the resolution fixing his salary; provided, however, that all salaries voted must be no more than reasonable compensation for services rendered or to be rendered to the Corporation.

### **Disallowed Payments**

3.13. Any payments made to an officer of the Corporation such as a salary, commission, bonus, interest or rent, or expense reimbursement incurred by him, which is disallowed in whole or in part as an acceptable expense by the Internal Revenue Service, shall be reimbursed by such officer to the Corporation to the full extent of such disallowance. It shall be the duty of the directors, as a board, to enforce payment of each such amount disallowed.

### **Bonding**

3.14. Any person entrusted with the handling of funds or property of the Corporation shall furnish, at the expense of the Corporation and at the request of the Board of Directors, a fidelity bond, approved by the Board in such sum as the Board shall prescribe.

## **ARTICLE 4**

### **COMMITTEES**

#### **Establishment of Committees**

4.01. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more directors and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the executive director its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the Bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04, below.

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- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.

#### **Term of Office**

4.02. Each member of a committee shall continue to serve on the committee until the purpose of the committee is fulfilled or until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

#### **Chair and Vice-Chair**

4.03. One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the board of directors. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

#### **Notice of Meetings**

4.04. Notice of a committee meeting shall be delivered to each member of a committee not less than seven nor more than 30 days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

#### **Quorum**

4.05. One half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

#### **Actions of Committees**

4.06. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the act of the committee.

#### **Proxies**

4.07. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after 11 months from the date of its execution.

#### **Compensation**

4.08. Committee members shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any,

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for attendance at each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

#### **Rules**

4.09. Each committee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board of Directors.

### **ARTICLE 5**

#### **TRANSACTIONS OF THE CORPORATION**

##### **Contracts**

5.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

##### **Deposits**

5.02. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

##### **Gifts**

5.03. The Board of Directors may accept or decline on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the Bylaws, the articles of incorporation, state law, and any requirements for maintaining the Corporation's federal and state tax exemptions.

##### **Loans to Related Parties**

5.04. The Corporation shall not make any loan to a director or officer of the Corporation.

##### **Affiliated Transactions**

5.05. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership or association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, if:

- (a) The material facts concerning the financial interests are disclosed to the board of directors or committee and the board of directors or committee authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors or committee members.
- (b) The contract or transaction is fair to the Corporation at the time of the approval. Nothing herein shall prevent retroactive approval of a transaction.

- (c) The interested director or committee member that is present may be counted towards a quorum for purposes of voting on the contract or transaction. The interested director or committee member may participate in the discussion of the matter, but may not vote.

### **Prohibited Acts**

5.06. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors, no director, officer, or committee member of the Corporation shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

### **Permanent Designated Endowments**

5.07. In regard to any designated endowment fund established by the Board of Directors or accepted by the Corporation, the Board of Directors is prohibited from expending any part of the designated endowment principal except as herein provided. The designated endowment principal is to be held, maintained and administered in accordance with its designation. The Board of Directors may, however, expend such portion of the permanent endowment fund principal as may be necessary to pay any and all costs and expenses of the Corporation in connection therewith including, without limitation, fees, expenses, accountants fees, attorneys fees, filing fees, brokerage fees, commissions, maintenance fees, office expenses, management fees, and salaries as may be necessary to operate such property or properties and to maintain the Corporation, but only to the extent that income is not sufficient to pay any of the above-mentioned fees and obligations.

The Board of Directors shall be under no obligation to expend income in any particular year, but shall disburse income to designated beneficiaries as the Directors may, from time to time, determine necessary and advisable. Any income not expended, although added to the principal corpus of the current endowment fund, may be accounted for and expended for the purposes of the Corporation in any later year at the discretion of the Board of Directors and under the authority of Trinity Fellowship.

### **Other Designated Funds**

5.08. Other funds established with this Corporation as administrator or trustee shall be administered by the Board of Directors and distributed by the Board of Directors in accordance with the instructions, terms and conditions established by the donor so long as such property is donated to the Corporation for the purposes stated above and in the Articles of Incorporation and consistent with section 501(c)(3) of the Internal Revenue Code. Absent donor instructions, the provisions herein shall control and such contributions and properties shall be administered as part of the permanent endowment fund.

### **Undesignated Funds**

5.09. All other funds and property received by the Foundation shall be held, maintained and administered by the Board of Directors in its discretion, consistent with the purposes of the Corporation and consistent with section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future Federal Tax Code.

## **ARTICLE 6**

### **BOOKS AND RECORDS**

#### **Required Books and Records**

6.01. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file-endorsed 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 the Bylaws, and any amended versions or amendments to the Bylaws.
- (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 members of the Corporation.
- (e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- (h) The Corporation's federal, state, and local tax information or income tax returns for each of the Corporation's three most recent tax years.

### **Inspection and Copying**

6.02. Any director, officer, or committee member of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than five working days after the Corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. The fees may cover the cost of materials and labor, but may not exceed 25 cents per page. The Corporation shall provide requested copies of books or records no later than five working days after the Corporation's receipt of a proper written request.

### **Public Requests for Records**

6.03 The Corporation shall maintain a file at all offices containing all documents required by the Internal Revenue Service to be made available to the public. All requests from the public for copies of the Corporation's Form 1023 and Form 990 shall be honored and provided as required by the Internal Revenue Service.

## ARTICLE 7

### FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

## ARTICLE 8

### INSURANCE

The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against that person and incurred by that person in such a capacity, or arising out of his status as such a person, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

## ARTICLE 9

### INDEMNIFICATION

#### **When Indemnification is Required, Permitted, and Prohibited**

9.01. (a) The Corporation shall indemnify a director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation to the maximum extent allowed by the Texas Non-Profit Corporation Act and other applicable law. For the purposes of this article, an agent includes one who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation

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shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a director, officer, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 9.01(a), above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the Bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation, or the person is alleged to have improperly received a personal benefit or committed other wilful or intentional misconduct.

(f) If the Corporation may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred by the person in connection with the proceeding. However, if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (1) is limited to reasonable expenses actually incurred by the person in connection with the proceeding, and (2) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Corporation.

#### **Procedures Relating to Indemnification Payments**

9.02. (a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 9.02(c), below. A determination that indemnification is permissible shall be made in accordance with the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 9.02(a)(i) or 9.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination

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of reasonableness of expenses shall be made in the manner specified by paragraph 9.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the Bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 9.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 9.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

## ARTICLE 10

### NOTICES

#### **Notice Means**

10.01. Any notice required or permitted by the Bylaws to be given to a director, officer, or member of a committee of the Corporation may be given in any manner allowed by the Texas Non-Profit Corporation Act. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid and in a sealed wrapper. If notice is served by facsimile or email, then the person giving notice shall retain records sufficient to prove actual delivery to the appropriate number or email address. A person may designate his or her preferred notice method and shall provide all necessary information regarding the same by giving written notice to the secretary of the Corporation. Without a preference designation, the person serving the notice shall give notice by mail.

#### **Signed Waiver of Notice**

10.02. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

## ARTICLE 11

### SPECIAL PROCEDURES CONCERNING MEETINGS

#### **Meetings by Electronic Means**

11.01. The Board of Directors, and any committee of the Corporation may hold a meeting by means of any electronic medium (such as telephone, video conferences or the Internet) approved by the Texas Non-Profit Corporation Act. Each member of the Board of Directors or any committee shall consent to the meeting being held by means of that system. The electronic communications system shall provide 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. The notice of a meeting by electronic medium must state the fact that the meeting will be held by electronic medium as well as all other matters required to be included in the notice.

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### **Decision Without Meeting**

11.02. Any decision required or permitted to be made at a meeting of the Board of Directors, or any committee of the Corporation, may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original signed consents shall be placed in the Corporate Record Book and kept with the Corporation's records.

### **Voting by Proxy**

11.03. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the Bylaws.

## ARTICLE 12

### AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Board of Directors. The notice of any meeting at which the Bylaws are altered, amended, or repealed, or at which new Bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

## ARTICLE 13

### MISCELLANEOUS PROVISIONS

#### **Legal Authorities Governing Construction of Bylaws**

13.01. The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

#### **Legal Construction**

13.02. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

#### **Headings**

13.03. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

