



BYLAWS OF REGENERATED HOPE

*A Texas Nonprofit Corporation
EIN: 20-4431392
Reviewed by Board 11 / 2024*

PHASE I

GOVERNANCE ARCHITECTURE

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Defined Terms

For purposes of these Bylaws, the following capitalized terms shall have the meanings set forth below. Defined terms apply throughout this instrument unless the context clearly requires otherwise.

(a) "Board"

"Board" means the Board of Directors of the Corporation acting collectively as its governing body. Action by the Board means action taken:

1. At a duly called meeting at which a Quorum is present; or
2. By unanimous written consent in accordance with these Bylaws.

Individual Directors have no authority to bind the Corporation absent express authorization by the Board.

(b) "Director"

"Director" means an individual duly elected or appointed to serve on the Board pursuant to these Bylaws. A Director serves in a governance capacity and owes fiduciary duties of care, loyalty, and obedience to the Corporation.

(c) "Independent Director"

"Independent Director" means a Director who:

1. Is not a compensated employee of the Corporation;
 2. Does not receive material financial benefit from the Corporation other than standard Director reimbursement; and
 3. Is free from relationships that could reasonably impair objective judgment.
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(d) "Disinterested Director"

"Disinterested Director" means a Director who:

1. Has no direct or indirect financial interest in a matter under consideration;
2. Has no material personal, familial, or business relationship with a person benefiting from such matter; and
3. Is eligible to vote under applicable conflict-of-interest standards.

For compensation determinations and related-party transactions, this term shall be interpreted consistently with Treasury Regulation §53.4958-6.

(e) "Officer"

"Officer" means an individual elected or appointed pursuant to Article IX of these Bylaws, including the Chair, Vice Chair, Secretary, Treasurer, and Executive Director.

An Officer may, but need not, also serve as a Director.

(f) "Executive Director"

(g) "Supermajority"

"Supermajority" means an affirmative vote of two-thirds (2/3) of the Directors then in office, not merely those present at a meeting.

Vacancies do not reduce the denominator used to calculate Supermajority unless the authorized Board size has been formally reduced.

(h) "Majority"

"Majority" means more than fifty percent (50%) of the Directors present at a meeting where Quorum exists, unless otherwise specified.

(i) "Then in Office"

"Then in office" means the total number of Directors currently holding office at the time of the vote, excluding vacant positions only if the authorized Board size has been formally reduced.

(j) "Quorum"

"Quorum" means a majority of Directors then in office unless otherwise specified in these Bylaws.

(k) "Material Transaction"

"Material Transaction" means any transaction, contract, obligation, acquisition, or disposition that:

1. Exceeds financial thresholds established by Board resolution;
2. Involves Indebtedness;
3. Involves real property;
4. Involves Restricted Funds;
5. Involves a Related Person; or
6. Could reasonably be expected to materially affect the financial condition, assets, or mission of the Corporation.

The Board may establish and periodically revise monetary thresholds defining materiality.

(l) "Related Person"

"Related Person" shall have the meaning set forth in the instructions to IRS Form 990, as amended, and includes:

1. Directors and Officers;
2. Key Employees;
3. Family members of such individuals;
4. Entities in which such individuals hold substantial ownership or control.

Interpretation shall be consistent with Internal Revenue Code §4958.

(m) "Related-Party Transaction"

"Related-Party Transaction" means any transaction between the Corporation and a Related Person involving compensation, property transfer, Indebtedness, or financial benefit.

(n) "Key Employee"

"Key Employee" means any individual, other than a Director or Officer, who:

1. Has responsibilities, powers, or influence over the Corporation as defined under Internal Revenue Code §4958 and IRS Form 990 instructions;
2. Has authority to control or determine a substantial portion of the Corporation's capital expenditures, operating budget, or compensation decisions; or
3. Meets compensation thresholds established under applicable IRS regulations.

Interpretation shall be consistent with Treasury Regulation §53.4958-3(c).

(o) "Compensation Arrangement"

"Compensation Arrangement" means any agreement, plan, or understanding pursuant to which a Director, Officer, Key Employee, or Related Person receives or may receive economic benefit from the Corporation, including but not limited to:

1. Salary or wages;
2. Bonuses or incentive compensation;
3. Deferred compensation;
4. Severance arrangements;
5. Retirement or pension contributions;
6. Fringe benefits;
7. Housing, vehicle, or expense allowances;
8. Consulting fees;
9. Non-cash or in-kind benefits;
10. Any other financial or economic benefit.

For purposes of Internal Revenue Code §4958 review, Compensation Arrangement includes both direct and indirect economic benefits.

(p) "Cause"

"Cause" includes, but is not limited to:

1. Material breach of fiduciary duty;
 2. Fraud or intentional misconduct;
 3. Criminal conduct affecting integrity;
 4. Failure to disclose conflicts of interest;
 5. Gross negligence causing material harm;
 6. Repeated failure to perform assigned duties.
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(q) "Indebtedness"

"Indebtedness" means any obligation for borrowed money, secured or unsecured, including promissory notes, lines of credit, guarantees, mortgages, or similar financial instruments.

(r) "Restricted Funds"

"Restricted Funds" means funds subject to donor-imposed restrictions as to purpose, timing, or use, including endowment funds governed by UPMIFA.

(s) "Substantially All Assets"

"Substantially All Assets" means assets representing a majority of the Corporation's total fair market value or assets essential to the Corporation's core mission.

Section 1.02 Global Cross-Reference Rule

Capitalized terms used throughout these Bylaws shall have the meanings set forth in this Article I unless otherwise expressly defined in context.

Any reference in these Bylaws to a defined term shall incorporate its full meaning as stated herein.

Section 1.03 Hierarchy of Authority

In the event of conflict:

1. These Bylaws shall control over Board policy;
 2. Texas law shall control over these Bylaws;
 3. Federal tax law shall control where tax-exempt status is implicated.
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Section 1.04 Rules of Construction

- (a) These Bylaws shall be interpreted in accordance with Texas law.
- (b) If ambiguity exists, interpretation shall favor preservation of tax-exempt status.
- (c) Headings are for convenience only and do not alter substantive meaning.
- (d) References to statutes include amendments and successor provisions.

Section 1.03 Severability and Reformation

If any provision of these Bylaws, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions of these Bylaws, which shall remain in full force and effect.

To the extent permitted by law, any provision determined to be invalid or unenforceable shall be interpreted, modified, or reformed so as to give effect as nearly as possible to the original intent of the Board while preserving compliance with applicable law, including the Texas Business Organizations Code and Section 501(c)(3) of the Internal Revenue Code.

If any provision of these Bylaws, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions of these Bylaws, which shall remain in full force and effect.

To the extent permitted by law, any provision determined to be invalid or unenforceable shall be interpreted, modified, or reformed so as to give effect as nearly as possible to the original intent of the Board while preserving compliance with applicable law, including the Texas Business Organizations Code and Section 501(c)(3) of the Internal Revenue Code.

If reformation is not legally permissible, the invalid provision shall be deemed severed from these Bylaws without affecting the remaining provisions.

ARTICLE II

CORPORATE AUTHORITY AND LIMITATIONS

Section 2.01 Nonprofit Status and Tax-Exempt Purpose

The Corporation is organized as a nonprofit corporation under the Texas Business Organizations Code ("TBOC") and shall at all times operate exclusively for one or more charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The Corporation shall not engage in any activity that would:

- (a) Cause it to fail to qualify or remain qualified as an organization described in Section 501(c)(3) of the Code;
- (b) Result in the imposition of excise taxes under Section 4958 of the Code (excess benefit transactions);
- (c) Constitute private inurement or impermissible private benefit; or
- (d) Violate applicable provisions of Texas nonprofit law.

All powers of the Corporation shall be exercised solely in furtherance of its charitable purposes and in compliance with applicable federal and state law.

Section 2.02 Charitable Trust Doctrine and Asset Stewardship

All assets of the Corporation, whether acquired by gift, grant, bequest, contribution, or otherwise, are held in charitable trust for the public benefit and shall be administered in furtherance of the Corporation's charitable purposes.

Directors and Officers shall administer corporate assets in accordance with:

- (a) Fiduciary duties of care, loyalty, and obedience;
- (b) Applicable provisions of the Texas Business Organizations Code;
- (c) The Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA), where applicable;
- (d) Donor-imposed restrictions and grant covenants; and
- (e) The public trust obligations inherent in §501(c)(3) status.

No Director, Officer, Key Employee, or Related Person shall obtain or attempt to obtain personal benefit from charitable assets except as permitted through approved Compensation Arrangements in compliance with these Bylaws and applicable law.

The Corporation acknowledges that charitable assets may be subject to oversight by the Attorney General of the State of Texas in accordance with Texas law governing charitable trusts.

Section 2.03 Prohibited Activities and Limitations

The Corporation shall not engage in any activity prohibited to an organization described in Section 501(c)(3) of the Internal Revenue Code.

Without limiting the foregoing, the Corporation shall not:

- (a) Distribute net earnings, assets, or profits to any Director, Officer, Key Employee, Related Person, or private individual, except as reasonable compensation pursuant to an approved Compensation Arrangement;
- (b) Participate in or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office;
- (c) Devote a substantial part of its activities to lobbying or attempts to influence legislation, except as permitted under applicable federal law;
- (d) Engage in any transaction that results in impermissible private inurement or more than incidental private benefit;
- (e) Enter into any Excess Benefit Transaction as defined under Internal Revenue Code §4958;
- (f) Conduct activities that are inconsistent with or unrelated to its stated charitable purposes in a manner that jeopardizes its tax-exempt status;
- (g) Operate primarily for commercial purposes or in a manner inconsistent with the "operational test" applicable to §501(c)(3) organizations;
- (h) Use Restricted Funds in violation of donor-imposed conditions or applicable law.

Such powers include, but are not limited to:

- (a) Entering into contracts and agreements;
- (b) Acquiring, holding, leasing, improving, and disposing of real or personal property;
- (c) Employing and compensating personnel and independent contractors;
- (d) Receiving and administering gifts, grants, contributions, and bequests;
- (e) Borrowing funds and incurring indebtedness in accordance with these Bylaws;
- (f) Investing and reinvesting funds consistent with UPMIFA;
- (g) Establishing policies and procedures necessary to carry out its mission.

All corporate powers shall be exercised:

- (1) In furtherance of the Corporation's charitable purposes;
- (2) In compliance with Internal Revenue Code §501(c)(3);
- (3) Consistent with fiduciary duties owed by Directors and Officers; and
- (4) Subject to the Reserved Powers of the Board as set forth in Article V.

No Officer or Director shall exercise corporate authority beyond that delegated by these Bylaws or formal Board resolution.

ARTICLE 111

BOARD OF DIRECTORS - STRUCTURE AND COMPOSITION

Section 3.01 General Authority and Governance Supremacy

The affairs, business, property, and mission of the Corporation shall be managed under the direction and control of the Board.

The Board retains ultimate and non-delegable authority over:

- (a) Governance and fiduciary oversight;
- (b) Strategic direction and mission fidelity;
- (c) Approval of material policies and institutional commitments;
- (d) Financial stewardship and risk oversight;
- (e) Appointment, supervision, evaluation, and removal of the Executive Director;
- (f) Preservation and protection of charitable assets.

No Officer, employee, or agent shall exercise authority inconsistent with the policies or resolutions adopted by the Board.

Delegation of operational authority pursuant to these Bylaws shall not relieve the Board of its fiduciary duties under Texas law.

- (e) Appointment, supervision, evaluation, and removal of the Executive Director;
- (f) Preservation and protection of charitable assets.

No Officer, employee, or agent shall exercise authority inconsistent with the policies or resolutions adopted by the Board.

Delegation of operational authority pursuant to these Bylaws shall not relieve the Board of its fiduciary duties under Texas law.

Section 3.02 Number of Directors and Authorized Size

The Board shall consist of not fewer than seven (7) nor more than eleven (11) Directors.

The exact number of Directors within this range shall be fixed by resolution of the Board and may be increased or decreased within such limits by majority vote, provided that no reduction shall shorten the term of any incumbent Director.

Vacancies shall not reduce the authorized size of the Board unless the Board formally amends the authorized number by resolution.

Section 3.03 Independence and Composition Requirements

At all times:

- (a) A majority of Directors shall be Independent Directors, as defined in Article I;
- (b) No more than one compensated Officer may serve as a voting Director;
- (c) The Executive Director shall not serve as Chair of the Board.

No Director shall receive compensation for service as a Director, except reimbursement of reasonable expenses incurred in connection with Board service.

Nothing in this Section prohibits a Director from separately receiving compensation pursuant to an approved Compensation Arrangement for services rendered in a capacity other than as Director, provided such arrangement is reviewed and approved by Disinterested Directors in accordance with these Bylaws.

Section 3.04 Eligibility and Qualifications

Each Director shall:

- (a) Be at least eighteen (18) years of age;
- (b) Be eligible to serve as a director under the Texas Business Organizations Code;

Section 3.05 Fiduciary Standard of Conduct

Each Director shall discharge duties as a Director:

- (1) In good faith;
- (2) With ordinary care and prudence under similar circumstances;
- (3) In a manner reasonably believed to be in the best interests of the Corporation;
- (4) In furtherance of the Corporation's charitable purposes;
- (5) With due regard for the preservation of tax-exempt status;
- (6) With loyalty to the Corporation and without personal conflict.

In carrying out such duties, a Director shall place the interests of the Corporation above personal, professional, or financial interests.

The standard of conduct set forth herein is intended to be consistent with and interpreted in accordance with the Texas Business Organizations Code.

Section 3.06 Reliance on Information and Reports

In discharging fiduciary duties, a Director may rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) Legal counsel, accountants, investment advisors, or other professionals as to matters within their professional or expert competence;
- (c) A committee of the Board of which the Director is not a member, if the Director reasonably believes the committee merits confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge that makes reliance unwarranted.

Nothing in this Section shall relieve a Director from responsibility for willful misconduct, fraud, or conscious disregard of known risk.

ARTICLE IV

DIRECTOR TERMS, ELECTION, AND VACANCIES

Section 4.01 Terms and Staggered Structure

Directors shall serve staggered three (3) year terms to promote governance continuity.

The Board shall be divided into classes as nearly equal in number as practicable. Each class shall serve a three-year term, with one class expiring each year.

A Director's term shall commence upon election and shall continue until the earlier of:

- (a) Expiration of the stated term;
- (b) Resignation;
- (c) Removal; or
- (d) Death or incapacity.

A Director shall continue to serve in a holdover capacity after expiration of term until a successor is elected and qualified, unless otherwise removed.

Section 4.02 Term Limits

No Director may serve more than three (3) consecutive full three-year terms without at least a one-year absence from the Board.

For purposes of this Section:

- (a) Service of more than one-half (1/2) of a term shall be deemed a full term;
- (b) Service of one-half (1/2) or less of a term to fill a vacancy shall not be counted as a full term.

The Board may extend service beyond term limits by Supermajority vote only if necessary for institutional continuity or transitional stability.

Section 4.03 Election Procedure

(a) Directors shall be elected by Majority vote of the Board at a duly noticed meeting where a Quorum is present.

(b) The Governance Committee, or such committee as designated by the Board, shall:

- (a) Service of more than one-half (1/2) of a term shall be deemed a full term;
- (b) Service of one-half (1/2) or less of a term to fill a vacancy shall not be counted as a full term.

The Board may extend service beyond term limits by Supermajority vote only if necessary for institutional continuity or transitional stability.

Section 4.03 Election Procedure

- (a) Directors shall be elected by Majority vote of the Board at a duly noticed meeting where a Quorum is present.
 - (b) The Governance Committee, or such committee as designated by the Board, shall:
 - (1) Identify and vet prospective nominees;
 - (2) Review eligibility and independence qualifications under Article III;
 - (3) Conduct conflict-of-interest screening;
 - (4) Present written recommendation to the Board.
 - (c) Notice of Director election shall include the names of nominees.
 - (d) Directors may be re-elected subject to term limits set forth herein.
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Section 4.04 Resignation

A Director may resign at any time by delivering Written Notice to the Chair or Secretary.

Unless otherwise specified in the resignation, resignation shall be effective upon receipt.

Acceptance of resignation is not required to make it effective.

If a resignation is contingent upon occurrence of a future event, the Board may fill the prospective vacancy prior to the effective date.

Section 4.05 Removal of Directors

- (a) A Director may be removed, with or without Cause (as defined in Article I), by Supermajority vote of the Directors then in office at a duly noticed meeting where a Quorum is present.
- (b) Written Notice of the proposed removal shall be provided at least seven (7) days prior to the meeting and shall state that removal of a named Director will be considered.

Section 4.06 Vacancies

(a) A vacancy on the Board shall occur upon:

- (1) Death;
- (2) Resignation;
- (3) Removal;
- (4) Incapacity;
- (5) Increase in the authorized number of Directors.

(b) Vacancies shall be filled by Majority vote of the Directors then in office at a meeting where Quorum is present.

(c) A Director elected to fill a vacancy shall serve for the remainder of the unexpired term of the predecessor and shall maintain the class designation of the vacated seat to preserve staggered terms.

(d) A vacancy does not impair the authority of the remaining Directors to exercise all powers of the Board.

(e) If the number of Directors falls below the minimum required by these Bylaws, the remaining Directors shall promptly fill sufficient vacancies to restore compliance.

ARTICLE V

RESERVED POWERS AND NON-DELEGABLE AUTHORITY

Section 5.01 Doctrine of Reserved Authority

The Board retains ultimate governance authority over the Corporation and shall exercise such authority consistent with fiduciary duties imposed under Texas law.

Powers expressly reserved in this Article are non-delegable and may not be transferred to any Officer, committee, employee, or agent.

Any action taken pursuant to an attempted delegation inconsistent with this Article shall be voidable at the election of the Board.

Delegation of operational authority elsewhere in these Bylaws shall not be construed to diminish the Board's ultimate authority.

Section 5.02 Non-Delegable Powers

The following actions require formal action by the Board at a duly noticed meeting with Quorum present and may not be delegated:

- (a) Amendment or restatement of these Bylaws;
- (b) Election, removal, or suspension of Directors;
- (c) Appointment, evaluation, compensation approval, or removal of the Executive Director;
- (d) Approval of the annual operating budget and material budget amendments;
- (e) Adoption of material changes to the Corporation's strategic direction or mission;
- (f) Authorization of Indebtedness exceeding thresholds established by Board resolution;
- (g) Sale, transfer, pledge, or encumbrance of real property;
- (h) Approval of any merger, consolidation, reorganization, or dissolution;
- (i) Approval of any Related-Party Transaction or Compensation Arrangement involving a Director, Officer, Key Employee, or Related Person;
- (j) Adoption or modification of compensation structure for Officers;
- (k) Sale of Substantially All Assets;
- (l) Adoption of formal risk management or investment policy.

For purposes of this Section, any transaction falling within the definition of Material Transaction under Article I shall require Board review and approval.

Section 5.03 Voting Escalation Matrix

Unless otherwise expressly provided in these Bylaws:

- (a) Ordinary business matters shall require an affirmative Majority vote of Directors present at a meeting where Quorum exists.
- (b) Structural governance matters, including those enumerated in Section 5.02, shall require an affirmative Supermajority vote of Directors then in office.
- (c) Dissolution, merger, consolidation, or sale of Substantially All Assets shall require an affirmative Supermajority vote of Directors then in office.
- (d) For purposes of calculating a Supermajority, the denominator shall be the total number of Directors then in office, regardless of abstention or absence.
- (e) Directors who are not Disinterested Directors with respect to a matter shall abstain from voting. Such abstention shall not reduce the number of votes required for approval.
- (f) The minutes shall reflect any abstention due to conflict of interest and the basis for such abstention.

(g) No action requiring Supermajority approval may be approved solely by virtue of attendance reduction or strategic abstention.

The Board may adopt written policy establishing additional voting thresholds for specific categories of financial exposure, Material Transactions, Indebtedness, or strategic impact, provided such thresholds are not inconsistent with these Bylaws.

Section 5.04 Emergency Authority Limitation

(a) In circumstances requiring immediate action to prevent material harm to the Corporation, including but not limited to imminent financial loss, legal exposure, or asset impairment, the Chair may authorize temporary action within the scope of previously approved Board policy.

(b) Emergency authority may be exercised only when convening the Board in advance of action is impracticable.

(c) Any emergency action shall:

- (1) Be documented in writing, including a description of the risk addressed;
- (2) Be reported to the Board within seventy-two (72) hours;
- (3) Be placed on the agenda of the next duly called Board meeting;
- (4) Be ratified, modified, or rejected by the Board.

(d) Emergency authority shall not include:

- (1) Amendment of these Bylaws;
- (2) Removal or appointment of Directors;
- (3) Approval of Indebtedness beyond previously authorized limits;
- (4) Sale or encumbrance of real property;
- (5) Approval of Related-Party Transactions;
- (6) Dissolution or merger actions.

(e) Failure of the Board to ratify emergency action shall render such action voidable, and the Board may take corrective action as necessary.

(f) The exercise of emergency authority shall not create continuing authority beyond the immediate circumstances requiring action.

ARTICLE VI

MEETINGS OF THE BOARD

Section 6.01 Regular Meetings

The Board shall meet no fewer than four (4) times annually.

The Board shall adopt, at or before the first meeting of each fiscal year, an annual calendar establishing the dates of regular meetings.

Regular meetings may be held at such time and place, including by permitted electronic means, as determined by the Board.

Failure to hold a scheduled regular meeting shall not invalidate prior Board actions.

Section 6.02 Special Meetings

Special meetings of the Board may be called by:

- (a) The Chair;
- (b) The Executive Director; or
- (c) Any three (3) Directors then in office.

The person(s) calling a special meeting shall specify the purpose of the meeting in the notice.

Only business described in the notice of special meeting may be conducted at such meeting, unless all Directors then in office are present and consent to additional business.

Section 6.03 Notice Requirements

(a) Regular Meetings. Written Notice of regular meetings shall be provided not fewer than seven (7) days prior to the meeting date.

(b) Special Meetings. Written or Electronic Transmission Notice of special meetings shall be provided not fewer than forty-eight (48) hours prior to the meeting.

(c) Notice Content. Notice shall state:

- (1) The date and time of the meeting;
- (2) The location or electronic access instructions;
- (3) The purpose of the meeting if action requiring Supermajority vote is anticipated;
- (4) Any proposed action involving removal of a Director, amendment of Bylaws, or approval of a Material Transaction.

(d) Waiver of Notice. A Director may waive notice in writing before or after the meeting. Attendance at a meeting constitutes waiver of notice unless the Director objects at the outset to the transaction of business due to improper notice.

(e) Failure of Notice. Failure of a Director to receive notice shall not invalidate proceedings if:

- (1) Notice was properly issued in accordance with these Bylaws; and
- (2) Quorum was present at the meeting.

Section 6.04 Participation by Electronic Means

Directors may participate in a meeting by telephone conference, video conference, or other electronic communication method that allows all participants to simultaneously hear and communicate with one another.

Participation by such means constitutes presence in person for purposes of Quorum and voting.

The Corporation shall ensure that electronic participation complies with applicable Texas law.

Section 6.05 Quorum

A Quorum shall consist of a Majority of Directors then in office.

Vacancies shall not reduce the Quorum requirement unless the authorized Board size has been formally reduced by Board resolution.

No action may be taken in the absence of a Quorum, except to adjourn the meeting.

Section 6.06 Executive Session

The Board may enter executive session upon Majority vote to discuss matters involving:

- (a) Personnel matters;
- (b) Litigation or legal advice;
- (c) Compensation review;
- (d) Sensitive strategic or financial matters.

Only Directors and individuals specifically invited by the Board may attend executive session.

Section 6.07 Action Without Meeting

Any action required or permitted to be taken at a Board meeting may be taken without a meeting if all Directors then in office consent in writing or by Electronic Transmission.

Such written consent shall have the same force and effect as a unanimous vote at a meeting and shall be filed with the minutes.

Section 6.08 Minutes and Recordkeeping

The Secretary shall maintain minutes of each Board meeting, including:

- (a) Date, time, and location;
- (b) Directors present;
- (c) Confirmation of Quorum;
- (d) Motions and voting results;
- (e) Abstentions and stated conflicts;
- (f) Executive session entry and exit.

Minutes shall be approved at a subsequent meeting and maintained as part of the permanent corporate record.

Section 6.09 Voting

Unless otherwise expressly required by these Bylaws:

(a) Action by the Board shall require an affirmative Majority vote of Directors present at a meeting where Quorum exists.

(b) Each Director then present shall be entitled to one (1) vote.

(c) Abstentions shall not be counted as votes cast; however, abstentions shall not reduce the number of affirmative votes required for approval where a Supermajority or "Directors then in office" standard applies.

(d) Directors who are not Disinterested Directors with respect to a matter shall abstain from voting, and such abstention shall be recorded in the minutes.

(e) Proxy voting shall not be permitted.

(f) No Director may vote by written proxy or delegate voting authority.

Section 6.10 Supermajority Matters

The following actions shall require an affirmative Supermajority vote of Directors then in office, as defined in Article I:

(a) Removal of a Director;

(b) Sale, transfer, pledge, or encumbrance of real property;

(c) Approval of any Related-Party Transaction involving real property;

(d) Amendment, restatement, or repeal of these Bylaws;

(e) Approval of merger, consolidation, or dissolution;

(f) Authorization of Indebtedness exceeding thresholds established by Board resolution;

(g) Sale of Substantially All Assets.

For purposes of this Section:

(1) The denominator for Supermajority calculation shall be the total number of Directors then in office;

(2) Abstentions and absences shall not reduce the number of affirmative votes required;

(3) A conflicted Director shall not participate in deliberation or vote and shall be excluded from vote tally but included in denominator unless otherwise required by law.

- (e) Approval of merger, consolidation, or dissolution;
- (f) Authorization of Indebtedness exceeding thresholds established by Board resolution;
- (g) Sale of Substantially All Assets.

For purposes of this Section:

- (1) The denominator for Supermajority calculation shall be the total number of Directors then in office;
 - (2) Abstentions and absences shall not reduce the number of affirmative votes required;
 - (3) A conflicted Director shall not participate in deliberation or vote and shall be excluded from vote tally but included in denominator unless otherwise required by law.
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Section 6.11 Action by Unanimous Written Consent

Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if all Directors then in office consent in writing or by Electronic Transmission.

(a) Written consent must:

- (1) Describe the action taken;
- (2) Be signed or electronically affirmed by each Director then in office;
- (3) Be dated.

(b) Action by unanimous written consent shall be effective on the date the last Director signs or affirms consent, unless a later effective date is specified.

(c) Written consents shall be filed with the minutes and maintained as part of the permanent corporate record.

(d) Written consent may not be used to remove a Director unless explicitly permitted by law.

ARTICLE VII

BOARD INVESTIGATION AND DISCIPLINE AUTHORITY

Section 7.01 Authority to Initiate Review or Investigation

The Board may initiate an internal review or investigation upon reasonable basis to believe that any Director, Officer, Key Employee, or Related Person may have engaged in conduct involving:

Section 7.02 Temporary Suspension

Pending completion of an investigation, the Board may, by Majority vote of Directors then in office at a meeting where Quorum exists, temporarily suspend a Director's voting privileges.

- (a) Written Notice of suspension shall state the basis for review.
 - (b) Suspension shall not constitute removal.
 - (c) A suspended Director may attend meetings unless otherwise determined by Majority vote for reasons of confidentiality or legal protection.
 - (d) Suspension shall remain in effect only until the Board takes final action under Section 7.04.
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Section 7.03 Procedural Safeguards and Due Process

Prior to removal of a Director for Cause:

- (a) Written Notice shall be provided describing the allegations with reasonable specificity;
- (b) The Director shall be afforded a reasonable opportunity to respond in writing and, if requested, orally before the Board;
- (c) The Board may consult independent legal counsel prior to final action;
- (d) Directors who are not Disinterested Directors with respect to the matter shall recuse themselves from deliberation and vote;
- (e) Deliberations may occur in executive session.

Nothing herein shall prevent removal without Cause pursuant to Article IV; however, procedural safeguards shall apply in removal for Cause.

Section 7.04 Final Action

Removal of a Director shall require an affirmative Supermajority vote of Directors then in office, as defined in Article I.

- (a) The Director subject to removal shall not vote on the matter.

- (b) Abstentions shall not reduce the denominator used to calculate Supermajority.
- (c) Final action shall be recorded in the minutes, including the basis for removal.
- (d) Removal shall be effective immediately unless otherwise specified by the Board.

ARTICLE VIII

DEADLOCK AND GOVERNANCE CONTINUITY

Section 8.01 Deadlock Defined

A "Deadlock" shall be deemed to exist only if:

- (a) The Board fails to achieve the required vote for approval of a matter requiring Majority or Supermajority approval after deliberation at two (2) consecutive duly noticed meetings; and
- (b) The failure to act materially impairs the Corporation's ability to carry out its charitable purposes, meet financial obligations, or preserve institutional integrity.

Failure to achieve consensus on ordinary business matters shall not constitute Deadlock unless operational continuity is materially impaired.

Deadlock shall be formally declared only by Majority vote of Directors then in office.

Section 8.02 Mediation of Governance Deadlock

Upon declaration of Deadlock involving a Material Transaction, Indebtedness, strategic direction, or governance matter, the Board may retain an independent, neutral governance mediator experienced in nonprofit governance.

- (a) Selection of mediator shall require Majority vote.
- (b) Mediation shall be non-binding unless otherwise agreed by Supermajority vote.
- (c) Directors shall participate in mediation in good faith.
- (d) Costs of mediation shall be borne by the Corporation.

Nothing in this Section shall permit delegation of Reserved Powers under Article V.

Section 8.03 Interim Authority During Deadlock

If Deadlock materially threatens operational continuity, the Chair may authorize interim operational action strictly limited to:

- (a) Preservation of assets;
- (b) Payment of ordinary operating expenses;
- (c) Compliance with legal or regulatory obligations;
- (d) Protection of Restricted Funds.

Emergency authority during Deadlock shall not include:

- Sale, transfer, or encumbrance of real property;
- Issuance of Indebtedness beyond previously authorized limits;
- Amendment of these Bylaws;
- Removal or appointment of Directors;
- Approval of Related-Party Transactions;
- Dissolution, merger, or consolidation.

Any interim action shall:

- (1) Be documented in writing;
- (2) Be disclosed to all Directors within seventy-two (72) hours;
- (3) Be placed on the agenda of the next Board meeting for ratification or modification.

Emergency authority shall not create continuing authority beyond the immediate circumstances requiring action.

Section 8.04 Governance Continuity Review

If Deadlock persists for more than sixty (60) consecutive days following formal declaration:

- (a) The Board shall conduct a structured governance review.
- (b) Such review may include:
 - (1) Review of Board composition and class structure;
 - (2) Engagement of independent governance counsel;
 - (3) Consideration of Board expansion or reduction within authorized limits;
 - (4) Voluntary resignation discussions;
 - (5) Governance restructuring consistent with these Bylaws.

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 - (3) Consideration of Board expansion or reduction within authorized limits;
 - (4) Voluntary resignation discussions;
 - (5) Governance restructuring consistent with these Bylaws.
- (c) No restructuring may circumvent Supermajority requirements or Reserved Powers.
- (d) The Board shall document findings and corrective plan in the minutes.

Section 8.05 Preservation of Charitable Trust

Nothing in this Article shall be interpreted to permit paralysis that results in abandonment of fiduciary duties.

During any Deadlock period, Directors shall continue to act:

- In good faith;
- With ordinary prudence;
- In preservation of charitable assets;
- In compliance with §501(c)(3) obligations.

Failure to act in good faith during Deadlock may constitute Cause under Article I.

ARTICLE IX

OFFICERS OF THE CORPORATION

EXECUTIVE DIRECTOR

Section 9.02 Status and Authority

The Executive Director shall implement policies adopted by the Board and manage the day-to-day affairs of the Corporation consistent with fiduciary standards and Reserved Powers under Article V.

Section 9.03 Appointment and Employment Agreement

(a) The Executive Director shall be appointed by Majority vote of the Directors then in office at a duly noticed meeting where Quorum exists.

(b) The Board may enter into a written employment agreement with the Executive Director, provided that:

(1) Any Compensation Arrangement complies with Article I and Internal Revenue Code §4958;

(2) Compensation is approved by Disinterested Directors;

(3) The agreement does not delegate Reserved Powers of the Board.

(c) No employment agreement shall alter the "at pleasure" service standard unless expressly approved by Supermajority vote of Directors then in office.

(d) Any employment agreement shall acknowledge that governance authority remains vested exclusively in the Board.

Section 9.04 Service at Pleasure; Removal

(a) The Executive Director serves at the pleasure of the Board and may be removed at any time, with or without Cause, by Majority vote of Directors then in office at a meeting where Quorum exists.

(b) Written Notice of removal shall be provided to the Executive Director.

(c) The Executive Director may be placed on administrative leave pending removal proceedings.

(d) Removal from office shall be effective upon Board approval unless otherwise specified.

(e) Removal shall not impair any contractual rights arising under a duly approved written employment agreement; however, such agreement shall not restrict the Board's authority to remove the Executive Director from office.

(f) The Executive Director shall not vote on any matter concerning compensation, evaluation, or removal.

ARTICLE X

AUTHORITY AND LIMITATIONS OF THE EXECUTIVE DIRECTOR

Section 10.01 General Executive Authority

Subject to oversight and Reserved Powers of the Board under Article V, the Executive Director shall:

- (a) Implement policies and strategic directives adopted by the Board;
- (b) Direct and supervise the day-to-day operations of the Corporation;
- (c) Hire, supervise, discipline, and terminate employees and independent contractors, consistent with Board-approved compensation policies;
- (d) Execute contracts and commitments within delegated authority thresholds established by Board resolution;
- (e) Develop and present the proposed annual operating budget for Board approval;
- (f) Ensure compliance with federal, state, and local laws, grant covenants, and regulatory obligations;
- (g) Maintain accurate operational, financial, and governance records;
- (h) Report regularly to the Board regarding financial condition, operational performance, and material risk.

Delegation of operational authority shall not be construed as delegation of governance authority.

Section 10.02 Binding Authority and Financial Thresholds

- (a) The Executive Director may bind the Corporation contractually only within financial thresholds and authority limits established by formal Board resolution.
- (b) All authority thresholds shall be documented in a written authority matrix adopted by the Board.

(c) Absent an adopted authority matrix, the Executive Director shall not:

- (1) Execute contracts exceeding a de minimis operational amount as established by Board policy;
- (2) Enter into any Material Transaction;
- (3) Incur Indebtedness;
- (4) Pledge, mortgage, or encumber corporate assets;
- (5) Modify or create any Compensation Arrangement involving an Officer;
- (6) Enter into any Related-Party Transaction.

(d) No Officer or employee may represent to third parties that authority exists beyond that delegated herein.

(e) Any contract executed beyond delegated authority shall be subject to ratification or rejection by the Board.

Section 10.03 Prohibited Actions

Without prior approval of the Board, the Executive Director shall not:

- (1) Amend, restate, or repeal these Bylaws;
- (2) Remove, appoint, or nominate Directors;
- (3) Approve, negotiate, or enter into any Related-Party Transaction;
- (4) Sell, transfer, pledge, or encumber real property;
- (5) Authorize Indebtedness beyond thresholds approved by the Board;
- (6) Initiate merger, consolidation, or dissolution proceedings;
- (7) Modify governance structure or Reserved Powers of the Board.

Section 10.04 Ultra Vires Acts; Voidability and Ratification

(a) Any action taken by the Executive Director that exceeds delegated authority under these Bylaws or applicable Board resolution shall constitute an ultra vires act and shall be voidable at the election of the Board.

(b) Upon discovery of an ultra vires act, the Executive Director shall promptly notify the Board in writing and provide all relevant documentation.

(c) The Board may, by the vote required for approval of the underlying action:

- (1) Ratify the act, thereby rendering it valid and binding as of the original date of execution;
- (2) Rescind or terminate the act, to the extent legally permissible;
- (3) Modify the act to conform to authorized limits;
- (4) Direct corrective measures to mitigate financial, legal, or reputational harm.

(d) Ratification shall require the same level of approval (Majority or Supermajority) that would have been required had the action been properly presented in advance.

(e) Nothing in this Section shall obligate the Corporation to honor any unauthorized commitment where doing so would:

- (1) Violate these Bylaws;
- (2) Violate applicable law;
- (3) Result in impermissible private benefit;
- (4) Jeopardize tax-exempt status.

(f) The Board's decision to ratify or reject an ultra vires act shall be documented in the minutes.

(g) The existence of an ultra vires act may constitute Cause for removal under Article I and Article IX.

(h) Nothing in this Section shall limit the Board's authority to remove the Executive Director pursuant to Article IX or to pursue any remedy available under law.

ARTICLE XI

EXECUTIVE EVALUATION, COMPENSATION, AND DISCIPLINE

Section 11.01 Annual Performance Evaluation

(a) The Board shall conduct a formal annual performance evaluation of the Executive Director.

(b) Evaluation shall consider, at minimum:

- (1) Advancement of the Corporation's charitable mission;
- (2) Financial stewardship and budget adherence;
- (3) Regulatory and grant compliance;
- (4) Organizational culture, staff leadership, and succession development;

- (5) Risk identification and mitigation;
- (6) Alignment with strategic objectives adopted by the Board.

(c) The evaluation process may include written assessment, performance metrics, and input from appropriate stakeholders.

(d) The results of the evaluation shall be summarized in the minutes, which may reflect entry into executive session.

(e) The Executive Director shall not be present during deliberation regarding performance evaluation unless invited by the Board.

Section 11.02 Compensation Approval - Rebuttable Presumption Standard

(a) Any Compensation Arrangement involving the Executive Director shall be reviewed and approved solely by Disinterested Directors.

(b) The Board shall follow the rebuttable presumption procedure under Treasury Regulation §53.4958-6, which includes:

- (1) Approval by Disinterested Directors;
- (2) Reliance on appropriate comparability data, including compensation surveys, similarly situated organizations, or independent expert opinion;
- (3) Contemporaneous documentation of the basis for the decision.

(c) Documentation shall include:

- (1) Terms of the Compensation Arrangement;
- (2) Date of approval;
- (3) Directors present and voting;
- (4) Comparability data relied upon;
- (5) Any abstentions due to conflict.

(d) The Executive Director shall not participate in deliberation or vote regarding their Compensation Arrangement.

(e) Compensation review shall occur at least annually and upon material modification of terms.

Section 11.03 Interim Discipline and Corrective Action

(a) The Board may impose interim corrective action by Majority vote of Directors then in office at a meeting where Quorum exists.

(b) Corrective action may include:

- (1) Written reprimand;
- (2) Performance improvement plan with measurable benchmarks;
- (3) Temporary suspension with or without pay;
- (4) Reduction or limitation of delegated authority;
- (5) Administrative leave pending investigation.

(c) Any suspension or reduction of authority shall be documented in writing and reflected in the minutes.

(d) Interim discipline shall not constitute removal unless expressly stated.

Section 11.04 Removal for Cause

(a) The Executive Director may be removed with or without Cause pursuant to Article IX.

(b) Cause includes, but is not limited to:

- Material breach of fiduciary duty;
- Fraud, embezzlement, or financial misconduct;
- Willful violation of Board-approved policy;
- Failure to disclose material conflicts of interest;
- Gross negligence causing material harm;
- Conduct that jeopardizes tax-exempt status.

(c) Prior to removal for Cause:

- (1) Written Notice shall be provided describing the basis for removal;
- (2) The Executive Director shall be afforded reasonable opportunity to respond;
- (3) The Board may consult independent legal counsel;
- (4) Deliberations may occur in executive session.

(d) Removal shall require Majority vote of Directors then in office unless otherwise required by employment agreement approved by Supermajority.

(e) The Executive Director shall not vote on removal.

Section 11.05 Interim Executive Appointment and Succession

- (a) Upon vacancy, suspension, or incapacity of the Executive Director, the Board may appoint an Interim Executive Director by Majority vote.
- (b) The Board shall define the scope of authority of the Interim Executive Director by resolution.
- (c) Interim appointment shall not alter Reserved Powers of the Board.
- (d) The Board shall initiate a search or succession process consistent with governance best practices within a reasonable period.
- (e) Compensation for Interim Executive Director shall comply with Section 11.02.

ARTICLE XII

OTHER OFFICERS

Section 12.01 Chair of the Board

- (a) The Chair shall preside at all meetings of the Board and shall ensure that governance processes are conducted in accordance with these Bylaws and applicable law.
- (b) The Chair shall:
 - (1) Facilitate strategic oversight;
 - (2) Coordinate Board evaluation of the Executive Director;
 - (3) Ensure proper notice of meetings;
 - (4) Serve as principal liaison between the Board and the Executive Director;
 - (5) Ensure adherence to fiduciary standards and Reserved Powers.
- (c) The Chair shall not unilaterally bind the Corporation, execute contracts, incur Indebtedness, or authorize Material Transactions unless expressly authorized by Board resolution.
- (d) The Chair shall not exercise operational authority except as expressly permitted under emergency provisions of these Bylaws.
- (e) The Chair shall not be the Executive Director.

Section 12.02 Vice Chair

- (a) The Vice Chair shall perform the duties of the Chair in the Chair's absence, incapacity, or recusal.
- (b) The Vice Chair shall possess no greater authority than that of the Chair and shall not exercise binding authority absent Board authorization.
- (c) In the event of vacancy in the office of Chair, the Vice Chair shall serve as Acting Chair until a successor is elected.

Section 12.03 Secretary

- (a) The Secretary shall be responsible for governance recordkeeping and corporate documentation.
- (b) The Secretary shall:
 - (1) Maintain accurate minutes of Board meetings;
 - (2) Maintain official corporate records, including Bylaws and resolutions;
 - (3) Certify official documents when required;
 - (4) Ensure retention of records consistent with Board policy and applicable law.
- (c) The Secretary may delegate administrative recordkeeping functions but remains accountable for accuracy and completeness.
- (d) Certification of documents by the Secretary shall constitute prima facie evidence of official action.

Section 12.04 Treasurer

- (a) The Treasurer shall provide financial oversight on behalf of the Board and shall not serve as the primary financial manager unless separately employed in that capacity.
- (b) The Treasurer shall:
 - (1) Review financial statements presented to the Board;
 - (2) Monitor budget performance;
 - (3) Oversee audit or financial review processes;

- (4) Report financial condition and material risk to the Board;
- (5) Ensure internal control compliance is reviewed annually.

(c) The Treasurer does not independently authorize disbursements, sign checks, or incur Indebtedness unless expressly authorized by Board resolution.

(d) The Treasurer shall not override internal control procedures adopted by the Board.

Section 12.05 Officer Removal

Any Officer other than the Executive Director may be removed by Majority vote of Directors then in office, with or without Cause.

Removal as an Officer does not automatically remove the individual as a Director unless separately acted upon pursuant to Article IV.

FINANCIAL GOVERNANCE & RISK CONTROLS

ARTICLE XIII

ANNUAL BUDGET AND FINANCIAL OVERSIGHT

Section 13.01 Fiscal Year

The fiscal year of the Corporation shall be established by Board resolution and may be changed only by formal action of the Board.

All financial planning, reporting, and audit review shall correspond to the adopted fiscal year.

Section 13.02 Annual Budget Adoption

(a) Prior to the commencement of each fiscal year, the Executive Director shall prepare and present a proposed annual operating budget for Board review and approval.

(b) The proposed budget shall include, at minimum:

- (1) Projected revenues by source, including restricted and unrestricted funds;
- (2) Programmatic expenditures;

- (3) Administrative and governance expenses;
- (4) Capital expenditures;
- (5) Debt service obligations;
- (6) Reserve projections and liquidity analysis;
- (7) Any anticipated Material Transactions.

(c) The Board shall formally adopt the annual budget by Majority vote at a meeting where Quorum exists.

(d) No expenditure of funds outside the scope of the adopted budget shall occur except as permitted by Board-approved variance thresholds or subsequent amendment.

(e) The Corporation shall not operate with a projected structural deficit without explicit Board acknowledgment and corrective plan.

Section 13.03 Budget Variance and Amendments

(a) The Executive Director shall monitor actual financial performance against the approved budget.

(b) If actual or projected variance exceeds ten percent (10%) in any major revenue or expense category, the Executive Director shall:

- (1) Provide prompt written notice to the Board;
- (2) Present analysis of cause;
- (3) Propose corrective action or formal budget amendment.

(c) Any material deviation involving:

- (1) Indebtedness;
- (2) Capital expenditure outside approved budget;
- (3) Use of Restricted Funds outside donor intent;
- (4) Operating deficit exceeding approved reserves

shall require prior Board approval.

(d) The Board may adopt additional variance thresholds by policy.

Section 13.04 Financial Reporting and Oversight

(a) The Executive Director shall provide the Board with financial statements at least quarterly, including:

- (1) Statement of Activities (Income Statement);
- (2) Statement of Financial Position (Balance Sheet);
- (3) Statement of Cash Flows;
- (4) Budget-to-Actual comparison;
- (5) Narrative explanation of material variances;
- (6) Summary of Restricted Fund balances.

(b) Financial reports shall reflect accurate, timely, and complete information consistent with generally accepted accounting principles (GAAP), if applicable.

(c) The Treasurer shall review financial reports prior to Board presentation when practicable.

(d) The Executive Director shall promptly disclose any condition that materially threatens liquidity, compliance, or financial stability.

Section 13.05 Reserve Oversight

(a) The Board shall periodically review reserve levels and liquidity position.

(b) Use of reserves outside the approved budget shall require Board approval.

(c) The Corporation shall not use Restricted Funds to cover operating shortfalls unless permitted by donor restriction and applicable law.

Section 13.06 Internal Control Certification

The Executive Director shall certify annually to the Board that:

- (a) Internal financial controls are functioning as designed;
- (b) No known material misstatements exist;
- (c) No known financial irregularities remain undisclosed.

Such certification shall be reflected in the minutes.

ARTICLE XIV

DEBT AND FINANCIAL OBLIGATIONS

Section 14.01 Debt Authorization

- (a) The Corporation shall not incur Indebtedness, as defined in Article I, except upon formal approval of the Board.
- (b) Authorization of Indebtedness shall require approval at a duly noticed meeting where Quorum exists.
- (c) Indebtedness constituting a Material Transaction shall require approval in accordance with Article V.
- (d) No Officer or employee may represent that authority to incur Indebtedness exists unless such authority has been expressly delegated by Board resolution.

Section 14.02 Debt Threshold Structure

- (a) The Board may adopt a written authority matrix establishing graduated approval thresholds, including:
 - (1) Executive-level authority for minor, recurring operating obligations consistent with the approved budget;
 - (2) Majority Board approval for mid-level financial commitments;
 - (3) Supermajority approval for material Indebtedness.
- (b) Absent an adopted written policy establishing thresholds, all Indebtedness shall require Board approval.
- (c) Any increase, renewal, extension, or refinancing of existing Indebtedness shall be treated as new Indebtedness for purposes of approval.
- (d) Debt thresholds shall be reviewed periodically by the Board.

Section 14.03 Prohibited Debt and Asset Protection

The Corporation shall not:

- (a) Collateralize or encumber charitable assets, including real property, without Supermajority approval of Directors then in office;
- (b) Pledge or otherwise obligate Restricted Funds in violation of donor intent or applicable law;
- (c) Enter into any personal guarantee arrangement involving Directors, Officers, or Key Employees unless:
 - (1) Full disclosure is made to the Board;
 - (2) Independent legal counsel reviews the arrangement;
 - (3) Supermajority approval is obtained;
 - (4) The arrangement does not result in impermissible private benefit.
- (d) Enter into Indebtedness that would reasonably be expected to jeopardize tax-exempt status or impair the Corporation's ability to carry out its charitable purposes.
- (e) Incur contingent liabilities not disclosed to the Board.

Section 14.04 Risk Disclosure and Due Diligence

Any proposal to incur Indebtedness shall be accompanied by written documentation including:

- (1) Description of purpose and use of proceeds;
- (2) Written risk assessment identifying financial, operational, and compliance exposure;
- (3) Projected repayment schedule and cash flow impact analysis;
- (4) Analysis of impact on operating reserves and liquidity;
- (5) Disclosure of any security interests or collateral;
- (6) Legal review if secured by real property or charitable assets;
- (7) Identification of any financial covenants or reporting obligations.

No vote shall occur until Directors have had reasonable opportunity to review such documentation.

Section 14.05 Ongoing Monitoring

- (a) The Executive Director shall report quarterly to the Board on all outstanding Indebtedness, including compliance with covenants and repayment status.
- (b) Any anticipated covenant breach or default shall be reported immediately.
- (c) The Board shall take corrective action if Indebtedness materially threatens financial stability.

Section 14.06 Ultra Vires Debt

Indebtedness incurred without proper authorization under this Article shall be subject to Article X (Ultra Vires and Voidability).

ARTICLE XV

RESTRICTED FUNDS AND DONOR INTENT

Section 15.01 Segregation and Stewardship of Restricted Funds

- (a) Restricted Funds, as defined in Article I, shall be separately identified and tracked within the Corporation's accounting system in a manner sufficient to ensure compliance with donor-imposed conditions.
- (b) Restricted Funds shall be used solely for the specific purposes, time limitations, or programmatic restrictions imposed by the donor.
- (c) The Corporation shall administer Restricted Funds consistent with:
 - (1) Donor intent;
 - (2) The Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA), where applicable;
 - (3) The charitable trust doctrine under Texas law;
 - (4) Internal Revenue Code §501(c)(3) obligations.
- (d) Commingling of Restricted Funds with unrestricted funds for accounting or investment purposes shall not be deemed improper provided internal records clearly segregate restricted balances.

(e) No Officer or employee may redirect Restricted Funds for general operating use absent lawful modification of restriction under Section 15.02.

Section 15.02 Release or Modification of Restrictions

(a) Modification or release of donor restrictions shall occur only:

- (1) With written consent of the donor; or
- (2) In accordance with applicable law under UPMIFA, including court approval where required.

(b) The Board shall approve any action to modify or release a restriction by Majority vote at a meeting where Quorum exists.

(c) Before seeking modification under UPMIFA, the Board shall consider:

- (1) The donor's original charitable intent;
- (2) The impracticability or impossibility of the original restriction;
- (3) Preservation of the Corporation's charitable mission.

(d) Documentation of restriction modification shall be maintained with permanent corporate records.

(e) No modification shall result in impermissible private benefit or deviation from §501(c)(3) purposes.

Section 15.03 Endowment Funds and Prudence Standard

(a) Endowment funds shall be managed in accordance with UPMIFA and prudent investor standards.

(b) In managing and investing endowment funds, the Board shall consider:

- (1) Duration and preservation of the fund;
- (2) Purposes of the Corporation and the endowment;
- (3) General economic conditions;
- (4) Effects of inflation or deflation;
- (5) Expected total return;
- (6) Other resources of the Corporation.

(c) Appropriation for expenditure from endowment funds shall be made prudently and in good faith.

Section 15.04 Board Oversight and Reporting

- (a) The Board shall review Restricted Fund balances at least annually.
- (b) The Executive Director shall report:
 - (1) Beginning and ending balances of Restricted Funds;
 - (2) Expenditures made pursuant to restrictions;
 - (3) Any anticipated shortfall or inability to fulfill donor conditions.
- (c) Improper use, diversion, or misapplication of Restricted Funds shall constitute a material breach of fiduciary duty and may constitute Cause for removal under Article I.
- (d) The Board shall take corrective action promptly upon discovery of misuse.

ARTICLE XVI

INTERNAL CONTROLS

Section 16.01 Financial Control Framework

The Corporation shall maintain a system of internal controls reasonably designed to safeguard charitable assets, ensure accurate financial reporting, prevent fraud, and promote compliance with applicable law.

Such internal controls shall include, at minimum:

- (a) Segregation of financial duties where practicable, including separation of authorization, custody, and reconciliation functions;
- (b) Dual authorization requirement for material disbursements as defined by Board policy;
- (c) Independent reconciliation of bank and investment accounts at regular intervals;
- (d) Written documentation supporting all disbursements and reimbursements;
- (e) Formal expense approval procedures tied to budget authority;
- (f) Restricted access to financial systems, check stock, and electronic banking credentials;
- (g) Periodic review of credit card usage and expense reporting;

(h) Documentation of all electronic transfers and wire authorizations.

Where staffing limitations prevent complete segregation of duties, compensating controls shall be implemented and documented.

Section 16.02 Authority Matrix and Delegation Controls

(a) The Board shall adopt and periodically review a written Authority Matrix defining:

- (1) Contract approval thresholds;
- (2) Disbursement approval limits;
- (3) Indebtedness authorization limits;
- (4) Credit card issuance and usage rules;
- (5) Procurement standards;
- (6) Approval levels for capital expenditures.

(b) The Authority Matrix shall be consistent with Reserved Powers under Article V and Indebtedness provisions under Article XIV.

(c) No Officer, employee, or agent may exceed authority limits established in the Authority Matrix.

(d) Deviations from established thresholds shall require prior Board approval.

(e) The Authority Matrix shall be maintained as part of permanent corporate governance records.

Section 16.03 Fraud Prevention and Reporting

(a) The Corporation shall maintain procedures for reporting suspected financial irregularities or fraud.

(b) Any suspected financial misconduct shall be promptly reported to the Board or Audit Committee, if established.

(c) The Board may retain independent counsel or forensic advisors where warranted.

(d) No individual shall suffer retaliation for good-faith reporting of financial concerns.

Section 16.04 Annual Internal Control Certification

- (a) The Executive Director shall certify annually in writing to the Board that:
- (1) Internal controls are functioning as designed;
 - (2) No known material financial irregularities remain undisclosed;
 - (3) The Authority Matrix is being followed;
 - (4) Restricted Funds are properly segregated.
- (b) The Treasurer shall review such certification prior to Board acknowledgment.
- (c) Certification shall be reflected in the minutes of the Board meeting at which it is presented.
- (d) Discovery of material control weakness shall require corrective action plan approved by the Board.

ARTICLE XVII

AUDIT AND FINANCIAL REVIEW

Section 17.01 Annual Financial Review Determination

- (a) The Board shall annually determine the appropriate level of independent financial review, considering:
- (1) Total annual revenue;
 - (2) Complexity of operations;
 - (3) Volume of Restricted Funds;
 - (4) Indebtedness obligations;
 - (5) Funder requirements;
 - (6) Regulatory obligations.
- (b) The Board shall determine whether to engage:
- (1) An independent audit;
 - (2) A financial review;
 - (3) A compilation; or
 - (4) An internal financial review.
- (c) Such determination shall be recorded in the minutes.
- (d) Financial statements, where applicable, shall be prepared in accordance with generally accepted accounting principles (GAAP) or other reporting standards appropriate to the size and complexity of the Corporation.

Section 17.02 Mandatory Audit Triggers

An independent audit conducted by a licensed certified public accountant shall be required if:

- (a) Required by a grant agreement, federal award, or funding condition;
- (b) Required by a debt covenant or financing agreement;
- (c) Required under the Uniform Guidance (Single Audit Act) for federal award thresholds;
- (d) Annual gross revenue exceeds a threshold established by Board policy;
- (e) The Board determines that financial risk or complexity warrants independent audit.

Audit thresholds shall be reviewed periodically and may be revised by Board resolution.

Section 17.03 Audit Committee

- (a) If an independent audit is conducted, the Board may appoint an Audit Committee.
 - (b) The Audit Committee shall be composed solely of Disinterested Directors.
 - (c) Members of the Audit Committee shall not include the Executive Director or any employee of the Corporation.
 - (d) The Audit Committee shall:
 - (1) Recommend selection of independent auditor;
 - (2) Review scope of audit engagement;
 - (3) Review audited financial statements;
 - (4) Meet with the auditor in executive session without management present;
 - (5) Review management letter and internal control recommendations;
 - (6) Monitor implementation of corrective actions.
 - (e) The Audit Committee shall report findings and recommendations to the full Board.
-

Section 17.04 Management Letter and Corrective Action

- (a) Any material weaknesses, significant deficiencies, or management letter comments identified in an audit shall be presented to the Board.
 - (b) The Executive Director shall provide a written corrective action plan within a reasonable time.
 - (c) The Board shall monitor implementation of corrective measures.
-

Section 17.05 Auditor Independence

- (a) The independent auditor shall not perform non-audit services that would impair independence.
 - (b) The Audit Committee shall review any proposed non-audit services.
 - (c) The Corporation shall not retain an auditor who has a financial or governance conflict with the Corporation.
-

ARTICLE XVIII

INVESTMENT AUTHORITY

Section 18.01 Governing Standard

- (a) Investment and management of institutional funds shall comply with the Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA), as amended.
 - (b) In managing and investing institutional funds, the Board shall act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
 - (c) Investment decisions shall be made in the context of the portfolio as a whole and as part of an overall investment strategy consistent with the Corporation's charitable purposes.
-

Section 18.02 Investment Objectives and Considerations

In managing and investing institutional funds, the Board shall consider, as applicable:

- (a) Preservation of capital;
- (b) Liquidity needs of the Corporation;
- (c) Expected total return from income and appreciation;
- (d) Risk tolerance consistent with mission preservation;
- (e) Duration and restrictions of funds, including endowment status;
- (f) General economic conditions;
- (g) Possible effects of inflation or deflation;
- (h) The role of each investment within the overall portfolio;
- (i) The Corporation's other resources and operating needs.

The Board shall seek to diversify investments unless special circumstances warrant otherwise.

Section 18.03 Investment Policy and Oversight

(a) The Board shall adopt a written Investment Policy Statement (IPS) setting forth:

- (1) Asset allocation guidelines;
- (2) Risk parameters;
- (3) Liquidity targets;
- (4) Spending or distribution policies for endowment funds;
- (5) Rebalancing procedures;
- (6) Performance benchmarks.

(b) The Board shall review the Investment Policy Statement periodically.

(c) Investment performance shall be reviewed at least annually.

(d) Investment decisions shall be documented in the minutes or committee records.

Section 18.04 Delegation to Investment Manager

(a) The Board may delegate investment authority to a qualified investment manager or advisor pursuant to a written agreement.

(b) Any delegation shall:

- (1) Define scope of authority;
- (2) Require adherence to the Investment Policy Statement;
- (3) Require periodic performance reporting;
- (4) Require disclosure of conflicts of interest.

(c) Delegation does not relieve the Board of its duty to monitor performance and compliance.

(d) The Board shall exercise reasonable care in selecting, monitoring, and retaining investment managers.

Section 18.05 Prohibited and Restricted Investments

Absent Supermajority approval of Directors then in office, the Corporation shall not engage in:

- Highly speculative or illiquid instruments inconsistent with liquidity needs;
- Leveraged derivative trading;
- Margin trading or short selling;
- Investments that materially conflict with the Corporation's charitable mission;
- Investments that could reasonably jeopardize tax-exempt status.

The Board may adopt additional investment restrictions by policy.

Section 18.06 Conflict-of-Interest in Investment Decisions

Directors, Officers, or Key Employees shall disclose any personal or financial interest in any proposed investment transaction.

Investment decisions involving a Related Person shall comply with the Conflict-of-Interest provisions of these Bylaws.

ARTICLE XIX

FINANCIAL RISK ESCALATION

Section 19.01 Material Financial Risk

A "Material Financial Risk" shall be deemed to exist when circumstances arise that could reasonably threaten the Corporation's financial stability, charitable mission, or regulatory compliance.

The Executive Director shall immediately notify the Board in writing upon becoming aware of any of the following:

- (a) A projected operating deficit exceeding fifteen percent (15%) of the approved annual budget;
- (b) Actual or anticipated inability to meet payroll or essential operating expenses;
- (c) Breach or anticipated breach of any loan covenant, financing agreement, or material contractual obligation;
- (d) Significant litigation exposure or governmental investigation;
- (e) Notice of IRS examination, audit, or inquiry;
- (f) Unauthorized use or diversion of Restricted Funds;
- (g) Liquidity shortfall materially impairing operational continuity;
- (h) Any event that could reasonably jeopardize tax-exempt status.

Notification shall include a written summary of the risk, financial impact analysis, and proposed mitigation steps.

Failure to timely notify the Board may constitute Cause under Article I.

Section 19.02 Emergency Financial Session

- (a) Upon receipt of notice of Material Financial Risk, the Chair shall call a special Board meeting within seven (7) calendar days.
- (b) Notice of such meeting shall clearly state that a Material Financial Risk review will occur.

(c) The Board may convene by electronic means consistent with Article VI.

(d) The Executive Director shall present:

- (1) Updated financial statements;
- (2) Cash flow projections;
- (3) Risk mitigation proposals;
- (4) Legal or compliance assessments if applicable.

(e) The Board may enter executive session to discuss legal or sensitive matters.

Section 19.03 Corrective and Emergency Authority

Upon determination that Material Financial Risk exists, the Board may adopt emergency corrective measures, including but not limited to:

- Temporary budget freeze;
- Suspension of discretionary spending;
- Modification of capital expenditure plans;
- Engagement of external financial or legal advisors;
- Restructuring of operations or staffing;
- Refinancing of Indebtedness consistent with Article XIV;
- Temporary restriction of delegated authority.

Such corrective measures shall:

- (a) Be adopted by Majority vote unless otherwise required by these Bylaws;
 - (b) Be documented in the minutes with stated rationale;
 - (c) Be reviewed periodically until the risk is resolved.
-

Section 19.04 Ongoing Monitoring During Risk Period

- (a) During any period of declared Material Financial Risk, the Executive Director shall provide monthly financial updates to the Board.
 - (b) The Board shall reassess risk status at each regular meeting until resolved.
 - (c) Corrective actions shall remain in effect until formally lifted by Board vote.
-

Section 19.05 Preservation of Charitable Assets

Nothing in this Article shall permit actions that:

- Violate donor restrictions;
- Jeopardize tax-exempt status;
- Circumvent Reserved Powers under Article V.

All emergency actions shall prioritize preservation of charitable assets and mission continuity.

ARTICLE XX

STANDARD OF REVIEW AND RELIANCE PROTECTION

Section 20.01 Standard of Review

(a) In evaluating the conduct of any Director or Officer, the standard of review shall be consistent with the Texas Business Organizations Code and applicable common law governing nonprofit fiduciaries.

(b) A Director or Officer shall not be liable for any action taken, or failure to act, if such person:

- (1) Acted in good faith;
- (2) Reasonably believed the action was in the best interests of the Corporation;
- (3) Exercised ordinary care and prudence under similar circumstances;
- (4) Acted in furtherance of the Corporation's charitable purposes.

(c) The mere fact that a decision results in financial loss shall not, in and of itself, establish breach of fiduciary duty.

(d) Nothing in this Section shall shield a Director or Officer from liability arising from:

- (1) Fraud;
 - (2) Intentional misconduct;
 - (3) Knowing violation of law;
 - (4) Improper personal benefit;
 - (5) Actions constituting Cause under Article I.
-

Section 20.02 Business Judgment Protection

- (a) Decisions made by Directors or Officers in good faith, with reasonable inquiry, and without personal conflict shall be afforded deference consistent with the business judgment rule.
- (b) Courts and reviewing authorities shall not substitute their judgment for that of the Board where decisions were made on an informed basis and without self-dealing.
- (c) Business judgment protection applies only where:
- (1) The decision was within delegated authority;
 - (2) Material facts were reasonably reviewed;
 - (3) Conflicts of interest were disclosed and properly managed.
-

Section 20.03 Permissible Reliance on Information

- (a) In discharging fiduciary duties, a Director or Officer may rely in good faith upon information, opinions, reports, or statements prepared or presented by:
- (1) Officers or employees whom the Director reasonably believes to be reliable and competent;
 - (2) Legal counsel as to matters within professional expertise;
 - (3) Certified public accountants or financial advisors;
 - (4) Investment managers retained pursuant to Article XVIII;**
 - (5) Committees of the Board of which the Director is not a member, if the Director reasonably believes the committee merits confidence.
- (b) Reliance shall be deemed reasonable only if the Director has no knowledge that would make such reliance unwarranted.
- (c) Reliance on expert advice shall not excuse willful blindness or conscious disregard of known risks.
-

Section 20.04 Presumption of Good Faith

Absent evidence to the contrary, Directors and Officers shall be presumed to have acted in good faith and in the best interests of the Corporation.

Section 20.05 Charitable Trust Preservation

Nothing in this Article shall diminish the obligation of Directors and Officers to administer corporate assets in accordance with the charitable trust doctrine and applicable fiduciary standards.

ARTICLE XXI

INDEMNIFICATION AND ADVANCEMENT

Section 21.01 Mandatory Indemnification

(a) To the fullest extent permitted by the Texas Business Organizations Code ("TBOC"), the Corporation shall indemnify any Director or Officer who was, is, or is threatened to be made a respondent in any proceeding by reason of service to the Corporation.

(b) Indemnification shall include reasonable expenses, judgments, penalties, fines, and amounts paid in settlement, provided the individual:

- (1) Acted in good faith;
- (2) Reasonably believed the conduct was in the best interests of the Corporation;
- (3) In criminal proceedings, had no reasonable cause to believe the conduct was unlawful;
- (4) Acted within the scope of delegated authority.

(c) Indemnification shall not exceed the extent permitted under applicable law.

(d) Indemnification under this Section shall be mandatory when statutory standards are satisfied.

Section 21.02 Advancement of Expenses

(a) The Corporation may advance expenses incurred in defending a proceeding prior to final disposition.

(b) Advancement shall occur only if the individual:

- (1) Provides a written affirmation of good faith belief that the statutory standard for indemnification has been met; and

(2) Executes a written undertaking to repay the advanced amount if ultimately determined not entitled to indemnification.

(c) Advancement may be conditioned upon approval by Disinterested Directors.

(d) Advancement shall not be construed as a determination of entitlement to indemnification.

Section 21.03 Limitations and Exclusions

No indemnification or advancement shall be provided for:

(a) Fraud or intentional misconduct;

(b) Knowing violation of law;

(c) Transactions from which the individual derived improper personal benefit;

(d) Acts outside the scope of authority where such limitation was known;

(e) Conduct constituting Cause under Article I, if finally adjudicated;

(f) Claims brought by the Corporation against the individual, except to the extent permitted by law.

Indemnification shall not be permitted where prohibited by TBOC or other applicable law.

Section 21.04 Determination of Eligibility

(a) Determination of whether indemnification is proper shall be made by:

(1) Majority vote of Disinterested Directors;

(2) Independent legal counsel in a written opinion; or

(3) Court of competent jurisdiction.

(b) Directors who are parties to the proceeding shall not participate in the determination.

(c) Determination shall be documented in corporate records.

Section 21.05 Insurance

The Corporation may purchase and maintain Directors and Officers (D&O) insurance to cover liabilities whether or not the Corporation would have the power to indemnify under these Bylaws.

Section 21.06 Non-Exclusivity

The rights of indemnification and advancement provided in this Article shall not be exclusive of any other rights to which a Director or Officer may be entitled under:

- (a) Applicable law;
 - (b) Insurance policies;
 - (c) Validly approved agreements consistent with these Bylaws.
-

Section 21.07 Survival of Rights

Indemnification and advancement rights shall continue as to a person who has ceased to serve as Director or Officer and shall inure to the benefit of heirs and legal representatives.

ARTICLE XXII

DIRECTORS AND OFFICERS INSURANCE

Section 22.01 Insurance Authorization and Intent

- (a) The Corporation shall use commercially reasonable efforts, subject to budgetary constraints and availability of coverage, to maintain Directors and Officers (D&O) liability insurance.
 - (b) Coverage limits, deductibles, and terms shall be reviewed periodically by the Board.
 - (c) Failure to obtain or maintain insurance due to financial constraints shall not constitute breach of fiduciary duty if reasonable efforts were made.
-

Section 22.02 Scope of Coverage

To the extent commercially available and financially feasible, D&O insurance shall provide coverage for:

- Governance decisions and Board actions;
- Employment-related claims;
- Alleged breaches of fiduciary duty;
- Regulatory or governmental investigations where insurable;
- Defense costs associated with covered proceedings.

The Board may approve additional coverages, including Employment Practices Liability Insurance (EPLI) or fiduciary liability riders, where appropriate.

Section 22.03 Relationship to Indemnification

(a) Insurance coverage shall operate independently of indemnification rights provided under Article XXI.

(b) Failure to maintain insurance shall not eliminate indemnification obligations otherwise provided by these Bylaws.

(c) Insurance proceeds shall not reduce the Corporation's obligation to indemnify unless expressly permitted by policy terms and applicable law.

(d) Where insurance is available, the Corporation shall seek coverage prior to expending corporate funds for indemnification, to the extent consistent with policy terms.

Section 22.04 Policy Review and Oversight

(a) The Board or Audit Committee shall review insurance coverage at least annually.

(b) Review shall include:

- (1) Coverage limits;
- (2) Exclusions;
- (3) Deductibles and retentions;
- (4) Carrier financial strength.

(c) Material gaps in coverage shall be documented in the minutes.

Section 22.05 Tail Coverage Upon Dissolution or Transition

If the Corporation dissolves, merges, or undergoes significant restructuring, the Board shall consider obtaining extended reporting period ("tail") coverage for Directors and Officers consistent with available resources.

ARTICLE XXIII

DISPUTE RESOLUTION

Section 23.01 Scope of Covered Disputes

This Article applies to disputes arising out of:

- (a) Interpretation or enforcement of these Bylaws;
- (b) Governance actions or Board decisions;
- (c) Duties of Directors or Officers;
- (d) Indemnification or advancement rights;
- (e) Internal governance matters not otherwise governed by mandatory statutory procedure.

Nothing in this Article shall impair rights or obligations imposed by law or regulatory authority.

Section 23.02 Internal Resolution Requirement

- (a) Prior to initiating mediation or judicial proceedings, the parties shall make good faith efforts to resolve disputes internally.
- (b) Internal resolution efforts may include:
 - (1) Presentation of written concerns to the Board;
 - (2) Executive session review;
 - (3) Consultation with independent legal counsel.

(c) Documentation of internal resolution efforts shall be maintained in corporate records. Failure to attempt internal resolution may be considered by a court in determining costs.

Section 23.03 Mandatory Mediation

(a) If internal resolution fails, the dispute shall be submitted to non-binding mediation conducted within the State of Texas.

(b) Mediation shall be conducted by a mutually agreed neutral mediator with experience in nonprofit governance or commercial disputes.

(c) Mediation shall commence within thirty (30) days of written request unless otherwise agreed.

(d) Costs of mediation shall be shared equally unless otherwise agreed in writing.

(e) Participation in mediation is a condition precedent to filing suit, except where immediate injunctive relief is necessary to prevent irreparable harm.

(f) Statements made in mediation shall be confidential to the fullest extent permitted by law.

Section 23.04 Exclusive Venue

(a) If mediation does not resolve the dispute within sixty (60) days of initiation, exclusive venue shall lie in the state courts of Texas.

(b) Federal courts located within Texas may exercise jurisdiction only where federal subject matter jurisdiction is mandatory or exclusive.

(c) Each party irrevocably submits to personal jurisdiction in Texas for purposes of resolving disputes governed by this Article.

(d) No action may be filed in any jurisdiction outside the State of Texas.

Section 23.05 Preservation of Emergency Relief

Nothing in this Article shall prevent a party from seeking temporary restraining order, injunctive relief, or other emergency remedy in a Texas court to preserve corporate assets or prevent irreparable harm.

Section 23.06 Preservation of Charitable Trust Doctrine

All dispute resolution proceedings shall be conducted in a manner consistent with the charitable trust doctrine and preservation of the Corporation's §501(c)(3) status.

Section 23.07 Governing Law

(a) These Bylaws and all disputes, claims, or controversies arising out of or relating to their interpretation, enforcement, or application shall be governed by and construed in accordance with the laws of the State of Texas.

(b) Governing law shall apply without regard to conflict-of-law principles that would result in application of the laws of another jurisdiction.

(c) Nothing in this Section shall be interpreted to override federal law where federal law is controlling.

(d) Application of Texas law shall be consistent with the Texas Business Organizations Code, Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA), and other applicable statutes governing nonprofit corporations.

Section 23.08 Attorney Fees and Costs

(a) Unless otherwise required by statute or court order, each party to a dispute governed by this Article shall bear its own attorney fees and litigation expenses.

(b) Notwithstanding subsection (a), a court of competent jurisdiction may award attorney fees and costs if it determines that a party:

- (1) Acted in bad faith;
- (2) Brought or defended a claim without reasonable legal basis;
- (3) Engaged in conduct intended to harass, delay, or improperly burden the Corporation.

(c) Any award of attorney fees shall be consistent with preservation of charitable assets and applicable law.

(d) Nothing in this Section shall impair the Corporation's right to recover damages or equitable relief where authorized by law.

ARTICLE XXIV

REAL PROPERTY AND ASSET AUTHORITY

Section 24.01 Authority to Acquire and Hold Property

(a) The Corporation may acquire, lease, hold, improve, manage, exchange, or dispose of real and personal property consistent with its charitable purposes and Texas law.

(b) All property shall be held and administered subject to the charitable trust doctrine and §501(c)(3) requirements.

(c) Acquisition or disposition of property constituting a Material Transaction shall be governed by Article V.

(d) The Board retains ultimate authority over strategic real property decisions.

Section 24.02 Due Diligence Prior to Acquisition

(a) Prior to acquisition of real property, the Executive Director shall present to the Board a written due diligence memorandum including:

- (1) Description and intended use of the property;
- (2) Proposed purchase or lease terms;
- (3) Financial impact analysis, including cash flow and reserve impact;
- (4) Risk assessment addressing operational, environmental, and compliance exposure;
- (5) Summary of title condition and known encumbrances;
- (6) Estimated ongoing carrying costs.

(b) The Board may require independent appraisal or environmental review where appropriate.

(c) No binding purchase agreement shall be executed without prior Board approval.

(d) Letters of intent or preliminary agreements shall not exceed delegated authority thresholds without Board authorization.

Section 24.03 Leasing Authority

- (a) The Corporation may enter into leases as landlord or tenant consistent with mission objectives.
- (b) Long-term leases exceeding a duration established by Board policy shall require Majority or Supermajority approval as determined by the Authority Matrix.
- (c) Lease agreements that materially restrict property use or create Indebtedness shall require Board approval.

Section 24.04 Encumbrance of Real Property

- (a) Real property may not be pledged, mortgaged, or otherwise encumbered without Supermajority approval of Directors then in office.
- (b) Prior to approval, the Board shall review:
 - (1) Purpose and necessity of encumbrance;
 - (2) Financial sustainability of the obligation;
 - (3) Impact on liquidity and reserves;
 - (4) Mission implications;
 - (5) Legal analysis of risk exposure.
- (c) Encumbrance of Restricted Assets shall comply with Article XV and applicable law.
- (d) No Officer may grant security interest in real property absent Board authorization.

Section 24.05 Sale or Disposition of Substantially All Assets

- (a) The sale, transfer, exchange, or disposition of substantially all corporate assets shall require:
 - (1) Supermajority vote of Directors then in office;
 - (2) Written notice to Directors stating intent and terms;
 - (3) Documentation in official minutes.
- (b) "Substantially all assets" shall be interpreted consistent with Texas law and shall include transactions that materially alter the Corporation's ability to fulfill its charitable mission.

(c) The Board shall consider independent valuation prior to approval.

Section 24.06 Protection of Restricted and Charitable Assets

(a) Assets subject to donor restriction, grant covenant, or charitable trust limitations may not be pledged, transferred, or disposed of in violation of such restrictions.

(b) The Board shall confirm compliance with donor intent prior to disposition of Restricted Assets.

(c) Improper disposition of Restricted Assets shall constitute a material breach of fiduciary duty.

Section 24.07 Ultra Vires Property Transactions

Real property transactions executed without required Board approval shall be subject to Article X (Ultra Vires and Voidability).

ARTICLE XXV

SUCCESSION AND GOVERNANCE CONTINUITY

Section 25.01 Executive Succession Planning

(a) The Board shall adopt and maintain a written Executive Succession Plan addressing both emergency and planned transitions.

(b) The Succession Plan shall identify:

- (1) Interim leadership structure in the event of sudden vacancy, incapacity, suspension, or death of the Executive Director;
- (2) Delegated authority during interim period;
- (3) Communication protocol with staff, funders, and stakeholders;
- (4) Timeline and process for permanent appointment;
- (5) Oversight responsibilities of the Board during transition.

(c) The Succession Plan shall be reviewed at least annually.

(d) In the event of emergency vacancy, the Board shall appoint an Interim Executive Director pursuant to Article XI.

(e) Interim authority shall not include Reserved Powers under Article V.

Section 25.02 Planned Leadership Transition

(a) In cases of anticipated resignation or retirement, the Board shall initiate structured transition planning, including:

- (1) Knowledge transfer procedures;
- (2) Stakeholder communication plan;
- (3) Evaluation of organizational capacity;
- (4) Search committee formation if appropriate.

(b) The Board shall ensure continuity of financial oversight and regulatory compliance during transition.

Section 25.03 Governance Continuity of Records and Access

(a) The Corporation shall maintain corporate records, including but not limited to:

- Articles of Incorporation and Bylaws;
- Board resolutions and minutes;
- Contracts and grant agreements;
- Financial records and banking documentation;
- Regulatory filings;
- Insurance policies.

(b) Access credentials for banking, accounting systems, regulatory portals, and digital platforms shall not be controlled exclusively by any single individual.

(c) The Board shall ensure that at least two authorized individuals have access to critical financial and regulatory systems.

(d) Records shall be stored in secure yet accessible format consistent with internal control policies under Article XVI.

Section 25.04 Data and Intellectual Property Protection

- (a) Intellectual property, trademarks, digital assets, and confidential information shall be documented and maintained in a manner that ensures institutional-not personal-control.
- (b) Corporate email domains and digital platforms shall be owned and controlled by the Corporation.
- (c) Transfer of leadership shall not result in loss of institutional data or access rights.

Section 25.05 Emergency Governance Continuity

- (a) In the event of catastrophic disruption, natural disaster, or operational incapacity, the Board may temporarily modify meeting logistics or delegation procedures to ensure continuity.
- (b) Such temporary modifications shall not override Reserved Powers or fiduciary standards.
- (c) All emergency governance actions shall be documented and reviewed once normal operations resume.

ARTICLE XXVI

DISSOLUTION

Section 26.01 Board Authorization

- (a) The Corporation may dissolve only upon approval by Supermajority vote of Directors then in office at a duly noticed meeting.
- (b) Notice of the meeting shall expressly state that dissolution will be considered.
- (c) The Board shall adopt a formal Plan of Dissolution setting forth:
 - (1) Reason for dissolution;
 - (2) Plan for satisfaction of liabilities;
 - (3) Proposed distribution of remaining assets;
 - (4) Compliance steps under Texas law.

(d) Dissolution shall be conducted in accordance with the Texas Business Organizations Code.

Section 26.02 Satisfaction of Liabilities

(a) Upon approval of dissolution, the Corporation shall:

- (1) Cease ordinary operations except as necessary to wind up affairs;
- (2) Provide notice to known creditors as required by law;
- (3) Satisfy or make provision for all lawful liabilities and obligations.

(b) No distribution of remaining assets shall occur until liabilities are satisfied or reasonably provided for.

(c) Indebtedness secured by charitable assets shall be resolved in accordance with governing agreements and applicable law.

Section 26.03 Distribution of Remaining Assets

(a) After satisfaction of liabilities, remaining assets shall be distributed exclusively for one or more charitable purposes within the meaning of §501(c)(3) of the Internal Revenue Code.

(b) Assets shall be distributed to one or more organizations that:

- (1) Qualify as tax-exempt under §501(c)(3);
- (2) Operate for purposes substantially similar to those of this Corporation.

(c) Restricted Assets shall be distributed in a manner consistent with donor intent and applicable law.

(d) No Director, Officer, Key Employee, or private individual shall receive any distribution of assets except as permitted by law for payment of liabilities or contractual obligations.

(e) The Board shall document final asset distribution in official records.

Section 26.04 Charitable Trust Preservation

All corporate assets are held in charitable trust for public benefit. Dissolution shall not permit diversion of assets for non-charitable purposes.

Section 26.05 Court Authority

If the Board fails to distribute assets in accordance with this Article, a court of competent jurisdiction may direct distribution consistent with charitable purposes.

ARTICLE XXVII

AMENDMENTS AND RESTATEMENT

Section 27.01 Authority to Amend

- (a) These Bylaws may be amended, restated, or repealed only by Supermajority vote of Directors then in office at a duly noticed meeting where Quorum exists.
 - (b) Supermajority shall be calculated based on the total number of Directors then in office, not merely those present.
 - (c) No Officer, committee, or agent of the Corporation shall have authority to amend these Bylaws.
-

Section 27.02 Notice and Procedure

- (a) Written notice of any proposed amendment shall be provided to all Directors at least seven (7) days prior to the meeting at which the amendment will be considered.
- (b) Notice shall include the full text of the proposed amendment and a summary of its purpose and effect.
- (c) Amendments may not be adopted by unanimous written consent unless the full text of the amendment is included in the consent document.
- (d) Amendments shall be recorded in the minutes and incorporated into the official Bylaws.

Section 27.03 Preservation of Tax-Exempt Status

(a) No amendment shall authorize conduct inconsistent with:

- (1) Section 501(c)(3) of the Internal Revenue Code;
- (2) The charitable trust doctrine;
- (3) The Corporation's Articles of Incorporation.

(b) Any amendment that would materially affect the Corporation's tax-exempt status shall require consultation with legal counsel prior to adoption.

(c) Amendments affecting dissolution provisions shall remain consistent with Article XXVI.

Section 27.04 Restatement

(a) The Board may adopt an amended and restated version of these Bylaws consolidating prior amendments, provided the restatement does not materially alter governance structure without compliance with Section 27.01.

(b) Restated Bylaws shall supersede prior versions upon adoption.

Section 27.05 Preservation of Prior Actions

Amendment or restatement of these Bylaws shall not invalidate actions properly taken under prior versions.

ARTICLE XXVIII

RATIFICATION, STATUTORY CONFORMITY, AND EFFECTIVE DATE

Section 28.01 Ratification of Prior Actions

All lawful actions, resolutions, contracts, appointments, and governance decisions taken by the Board, Officers, or authorized agents of the Corporation prior to the adoption of

these Amended and Restated Bylaws are hereby ratified, confirmed, and approved to the fullest extent permitted by law.

Nothing in this Section shall be construed to ratify actions that were unlawful or taken in violation of statutory fiduciary duties.

Section 28.02 Conformity with Law

(a) If any provision of these Bylaws is determined to conflict with applicable Texas law or federal law, the controlling statute shall govern to the extent of such conflict.

(b) Any invalid or unenforceable provision shall be construed to preserve the original intent to the maximum extent permitted by law.

(c) Invalidation of any provision shall not affect the remaining provisions, which shall remain in full force and effect.

(d) These Bylaws shall be interpreted consistently with:

- (1) The Texas Business Organizations Code;
 - (2) The Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA);
 - (3) Section 501(c)(3) of the Internal Revenue Code;
 - (4) The charitable trust doctrine.
-

Section 28.03 Effective Date

These Amended and Restated Bylaws shall be effective as of April 14, 2006.

Upon adoption, these Bylaws supersede all prior versions and amendments previously adopted by the Corporation.

CERTIFICATION

The undersigned hereby certifies that the foregoing **Amended and Restated Bylaws of Regenerated Hope** constitute the complete and governing instrument of the Corporation.

These Amended and Restated Bylaws were duly adopted by the Board of Directors in accordance with the voting requirements set forth herein and pursuant to the Texas Business Organizations Code.

These Bylaws are effective as of April 14, 2006, and supersede all prior bylaws and amendments.

The undersigned further certifies that the Board approval satisfied the Supermajority requirement of Directors then in office as required under Article XXVII.

IN WITNESS WHEREOF,

The undersigned has executed this Certification on behalf of the Corporation.



Secretary



Chair

Date: 11, 14, 2024

Document Control

Field	Detail
Document Title	Bylaws
Version	8.1
Adopted	April 14, 2006
Last Reviewed	11-2024
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Oversight	Governance & Ethics Committee