

North & East Lubbock CDC Board Member Application



Thank you for your interest in serving on the North & East Lubbock Community Development Corporation (“NELCDC”) Board of Directors.

The mission of the organization is to create, facilitate, and promote economic development. We are honored that you would like to come alongside existing board members, and the community as a whole to strengthen north and east Lubbock and make the vision of economic and community development a reality.

Please note this board application is comprised of the following:

1. **An application.** The application will help the board learn a little more about each proposed appointee. Each application, received at least 10 days before an upcoming board meeting, will be placed on an NELCDC board agenda. A recommendation for appointment will be made at that meeting. Each applicant will be notified of the outcome and next steps by the standing Board Chairman or his or her designee. **Upon completion, please email the completed application to Monique Coleman, Executive Director at mc_nelcdc@outlook.com. Applications may also be delivered to the NELCDC office located at 1708 Crickets Ave. (the Lubbock Housing Authority). If any assistance is needed or if you have questions please contact Ms. Coleman at (806) 747-5937.**
2. **The organization bylaws.** We strongly encourage all potential board members to read the bylaws. The bylaws govern how the NELCDC board of directors function as well as general expectations for serving on the board. It is important that all members have a clear understanding of the critical role each member plays in the effort to achieve our mission and attain annual goals set for the organization.

Key Information for Potential NELCDC Board Members

- **NELCDC Board meets at the Lubbock Housing Authority on the 4th Wednesday of every month 11:30 a.m. – 1:00 p.m.** Please note meetings in November and December are often moved to the 4th Tuesday in an effort to avoid holiday conflicts;
- All members shall reside within Lubbock County;
- Each director shall serve until term expiration and his or her successor has been elected unless or until death, resignation, or removal;
- All directors shall be limited to two (2) consecutive terms; re-election is permitted after one year of non-membership;
- The Board must be comprised of at least nine (9) “voting” members but no more than 15;
- The NELCDC may have up to five (5) advisory board members; and
- Any director who misses three (3) consecutive regular meetings shall be disqualified and removed from the Board of Directors. A director may be removed for other reasons with cause, by a vote of a two-thirds (2/3) majority of the quorum of the directors present at a regular or special meeting called for that purpose if notice of intentions to act upon such matters have been given in the notice calling such meeting.

Contact Information

All information obtained will remain confidential and for board use only.

Full Name:		
Physical Address:		
City, ST, ZIP Code:		
Mailing Address: (if different from physical)		
City, ST, ZIP Code:		
Home Phone:		Work Phone:
E-Mail Address:		
Current Occupation:		
Speak Another Language? <input type="checkbox"/> YES <input type="checkbox"/> NO	If yes, please specify:	
How Long Have You lived in Lubbock?	Do you reside in north or east Lubbock? <input type="checkbox"/> YES <input type="checkbox"/> NO	

NOTE: The NELCDC target area (north & east Lubbock) is bound by city limits to the north, 34th St. to the south, city limits to the east, and University St. to the west.

Availability

This information is requested to help determine availability for various board and community activities.

___ Weekday mornings ___ Weekday afternoons ___ Weekday evenings
___ Weekend mornings ___ Weekend afternoons ___ Weekend evenings

Why are you Interested in Serving on the NELCDC Board of Directors?

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Special Skills or Qualifications

Summarize special skills and qualifications you have acquired from employment, previous volunteer work, or through other activities, including hobbies or sports. *Feel free to attach additional information, resumes, etc.*

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Previous Volunteer Experience (list at least three (3))

Name of Organization:	
Length of Time with Organization:	
Name of Organization:	
Length of Time with Organization:	
Name of Organization:	
Length of Time with Organization:	

Summarize your previous volunteer experience(s).

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Person to Notify in Case of Emergency

Name:	
Street Address:	
City, ST, ZIP Code:	
Home Phone:	
Work Phone:	
E-Mail Address:	

Our Policy

It is the policy of this organization to provide equal opportunities without regard to race, color, religion, national origin, gender, sexual preference, age, or disability.

Agreement and Signature

My signature affirms that the facts set forth in this application are true and complete. I further affirm I have reviewed the bylaws and understand the expectations set forth for board members. I also understand that if I am appointed to the Board, any false statements, omissions, or other misrepresentations made by me on this application may result in my removal from the Board.

Printed Name:	
Signature:	
Date:	

AMENDED AND RESTATED BYLAWS
OF
NORTH & EAST LUBBOCK
COMMUNITY DEVELOPMENT CORPORATION
(Revised 9.18.08)

AMENDED AND RESTATED BYLAWS
OF
NORTH & EAST LUBBOCK
COMMUNITY DEVELOPMENT CORPORATION

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office and registered agent of North & East Lubbock Community Development Corporation (the “Corporation”) will be as from time to time set forth in the Corporations Article of Incorporation (herein so called).

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Texas, as the Board of Directors (herein so called) may from time to time determine or the business of the Corporation may require.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Management. The management of all the affairs, property and business of the Corporation shall be vested in a Board of Directors. The Board of Directors shall have such powers as may be authorized by the Articles of Incorporation, by these Bylaws (herein so called) as amended from time to time and the powers now and hereafter as authorized under the Texas Non-Profit Corporation Act, as amended.

Section 2. Tenure and Qualifications. *Board of Directors are appointed for a three-year term. Terms will expire on a staggered basis with four expiring each year.* No less than one-third of the directors shall be residents of the North or East districts of the City of Lubbock, State of Texas, thereby meeting the requirements for Community Housing Development Organizations. The remaining directors are not required to be a resident of the State of Texas. Each director shall continue in office until his or her successor has been elected or until the death, resignation or removal of the director in the manner hereinafter provided. *All directors shall be limited* to two-consecutive terms on the Board of Directors. Any director may be re-elected to the Board of Directors after a period of at least one year of non-membership.

Section 3. Number. The number of directors of the Corporation will be at least *nine (9) and not more than fifteen (15) excluding Advisory Board Members*. The number of directors authorized will be fixed as the Board of Directors may from time to time designate, or if no such designation has been made, the number of directors will be the same as the number of members of the initial Board of Directors as set forth in the

Articles of Incorporation. Notwithstanding the foregoing, there shall be no fewer than ***nine (9)*** directors at all times. No decrease in the number of directors will have the effect of shortening the term of any incumbent director.

In addition, ***the Corporation may have up to five Advisory Board Members.*** ***The “Advisory Members”*** may be elected for the sole purpose of providing input on various matters to the remaining members of the Board of Directors and other functions and responsibilities as prescribed by the remaining members of the Board of Directors. The Advisory Members will not share in the rights and responsibilities of the other members of the Board of Directors as set forth in these Amended and Restated Bylaws. Without limiting the generality of the immediately preceding sentence, the Advisory Members will not, amount other things, (i) have the authority to vote on matters before the Board of Directors, (ii) count towards the determination of whether a quorum is present, or (iii) have the authority to call a meeting of the Board of Directors.

Section 4. Removal. Any director who misses three consecutive regular meetings of the Board of Directors shall be disqualified and removed from the Board of Directors. A director may be removed at any meeting of the Board of Directors for any other reason, with cause, by a vote of a two-thirds majority of the quorum of the directors present at a regular or special meeting called for that purpose if notice of intention to act upon such matters has been given in the notice calling such meeting.

Section 5. Vacancies and Additional Directorships. If a vacancy occurs among the directors by reason of death, resignation or removal, the vacancy may be filled for the unexpired term by action of a majority of the remaining directors at a regular, annual or special meeting. The number of directors may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the time of any incumbent director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at the annual meeting or at a regular or special meeting of directors called for that purpose. A partial term served by a director to fill an unexpired term shall not be considered in calculating eligibility for election in subsequent terms.

ARTICLE III

MEETING

Section 1. Place of Meeting. Meetings of the Board of Directors, annual, regular or special, may be held as such place within or without the State of Texas as may be fixed from time to time by the Board of Directors.

Section 2. Annual and Regular Meeting or Special Meetings. An annual meeting of the Board of Directors shall be held ***on the first Thursday of September***, at a time and place specified by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting. Regular meetings of the Board of Directors shall be held no less than seven times during a fiscal

year (but no more than once per calendar month), at a time and place specified by the Board Directors, for the purpose of conducting the normal business of the corporation. Special meetings of the Board of Directors may be called upon three days written notice to all directors. The Chairperson or the Secretary upon written request of any officer or any three directors shall call a special meeting.

Section 3. Notice of Meetings. Notice of meeting of the Board of Directors shall be given to each member of the Board of Directors not less than ten (10) nor more than sixty (60) days before the meeting. Such notice shall set forth the place, date and hour of meeting, who called the meeting and the purpose or purposes for which the meeting is called.

Section 4. Quorum. At all meetings of the Board of Directors the presence of a majority of the number of directors fixed pursuant to these Bylaws, but not fewer than three (3), will be necessary and sufficient to constitute a quorum for the transaction of business, and the affirmative vote of a least a majority of the directors present or represented by proxy at any meeting at which there is quorum will be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation of these Bylaws. If a quorum is not present at any meeting of the Board of Directors, the directors present thereof may adjourn the meeting from time to time without notice not be counted toward a quorum. Each director shall be entitled to one (1) vote.

Section 5. Informal Action. Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting, if a consent in writing setting forth the action so taken, is signed by all the members of the Board of Directors, and such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

Section 6. Participation in Meeting. Directors and committee members may participate in and hold meetings by means of conference telephone or similar communications equipment by which all persons' participation in the meeting can hear each other. Participation in such a meeting will constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose to objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting had not been lawfully called or convened.

ARTICLE IV

COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Standing Committees. The Standing Committees of the Board of Directors are the Executive Committee, Finance Committee and Nominating Committee. The duties and responsibilities of each Standing Committee are as follows:

A. Executive Committee. Members of the Executive Committee shall be

Officers of the Corporation pursuant to Article V of these Bylaws. The Executive Committee shall be chaired by the Chairperson who shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation when the Board of Directors is not in session, except where action of the Board of Directors is required by statute, the Articles of Incorporation or these Bylaws. Additionally, the Chairperson shall, among other things, be responsible for the election of members of the Executive Committee. The Executive Committee shall develop long-term strategic planning and annual goals for the Corporation, develop personnel policies and benefits packages for employees, conduct the annual performance review of the Executive Director, recommend committee assignments to the Board of Directors for approval and provide advise to the Executive Director on management issues as requested by the Executive Director.

B. Finance Committee. Members of the Finance Committee shall be officers of the Corporation pursuant to Article V of these Bylaws. The Finance Committee shall be chaired by the treasurer, who shall be responsible for, among things, the election of members of the finance committee. The Finance Committee shall see that the corporation maintains some sound fiscal management practices and shall monitor the expenditures of funds. Specific activities shall include conforming loans; reviewing and recommending approval of loans exceeding corporation guidelines; reviewing and recommending and monitoring the corporations annual operating budget; reviewing and recommending new program contracts and monitoring contract compliance, and providing oversight of procurement policies and compliance.

C. Nominating Committee. Members of the Nominating Committee shall be officers of the Corporation pursuant to Article V of the Bylaws. Additionally, three directors of the Board of Directors of the Corporation shall serve as members of the Nominating Committee. The Nominating Committee shall be chaired by the Vice Chairperson, who shall be responsible for, among other things, the election of members of the Finance Committee. The committee shall investigate, recommend and nominate persons for election to the Board of Directors and as Officers of the Corporation within the provisions and limitations contained and expressed in the Articles of Incorporation and these Bylaws.

Section 2. Special Committees. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate one or more special committees. Special committees shall consist of three or more of the directors, staff members or experts from the community, provided that a director shall always serve as a chairperson of the committee. The special committees shall serve as advisory committee to the Board of Directors. The term of office of the members of each committee member who is a director at the time of the appointment to committee shall automatically cease to be a committee member when said director ceases to be a member of the Board of Directors. Three such special committees are the Fund Development Committee, Community Development Committee and the Advocacy Committee.

Section 3. Meetings, Notices and Records. Each standing and special committee may provide for the holding of regular meetings and may fix the time and place at which such meetings shall be held. Special meetings of each committee shall be held upon call by its chairperson or at the request of any member. Notice of each special meeting shall be mailed to each member of the committee, at the members' residence or usual place of business, at least two days before the day on which the meeting is to be held. Each committee shall keep regular minutes of their preceding and report the same to the Board of Directors when required.

Section 4. Quorum and Manner of Acting. The majority of each committee must be present to constitute a quorum. The Act of a majority of the members constituting a quorum shall be the act of such committee.

Section 5. Vacancies. If a vacancy occurs in any committee by reason of death, resignation, or otherwise, the remaining members of such committee, though less than a quorum, may continue to act until such vacancy is filled by the Board of Directors.

ARTICLE V

OFFICERS AND AGENTS

Section 1. Election and Term of Office. At its annual meeting, the Board of Directors shall elect by majority vote of those members of the Board of Directors present, the following officers to serve for such other officers as deemed appropriate. Any two or more offices may be held by the same person, except that the offices of Chairperson and Secretary shall not be held by the same person. Officers may be members of the Board of Directors with Ex-Officio members as designated by the Board of Directors. Each officer shall hold office until the annual meeting of the Board of Directors during the year following his or her election, or until his or her successor has been elected.

Section 2. Number. The officers of the Corporation shall be the Chairperson, the Vice Chairperson, the Executive Director, Secretary and Treasurer and such other assistant officers as the Board of Directors deems necessary.

Section 3. Other Officers and Agents. The Board of Directors may also elect and appoint such other officers and agents as it deems necessary who will be elected and appointed for such terms and will exercise such powers and perform such duties as may be determined from time to time by the Board of Directors.

Section 4. Removal. Each officer of the corporation will hold office until his or her death, resignation or removal from office or agent elected or appointed by the Board of Directors may be removed at any time, for or without cause, by the affirmative vote of a majority of the entire Board of Directors, but such removal will not prejudice the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

Section 5. Resignation. An officer may resign at any time by giving written notice of such resignation to the Board of Directors. Unless otherwise specified is such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or any such officer.

Section 6. Vacancies. If any office shall become vacant for any reason, a successor (to hold office for the unexpired term) may be appointed at any meeting of the Board of Directors.

Section 7. Employment and Other Contract. The Board of Directors may authorize any officer(s) or agent(s) to enter into any contract or execute and deliver any instrument in the name or on behalf of the Corporation and such authority may be general or confined to specific instances. The Board of Directors may, when it believes the interest of the corporation will best be served thereby authorize executive employment contract that will have terms no longer than ten years and contain such other terms and conditions as the Board of Directors deems appropriate. Nothing herein will limit the authority of the Board of Directors to authorize employment contracts for shorter terms.

Section 8. The Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall carry out such other duties as prescribed by the Board of Directors and as customarily pertain to such office. The Chairperson shall be a member of the Executive Committee and an ex officio member of all other committees appointed by the Board of Directors. Immediately following the Annual Meeting, the Chairperson shall appoint committee chairs subject to ratification by the Board of Directors as one of his or her first tasks.

Section 9. The Vice-Chairperson. The Vice-Chairperson, in the absence of the Chairperson, shall perform the duties and exercise the powers of the Chairperson, shall serve as chair of the Nominating Committee, shall serve on the Executive Committee and shall have such other powers and duties as shall be prescribed by the Board of Directors.

Section 10. The Treasurer. The Treasurer shall serve as chair of the Finance Committee and shall be responsible for all funds and financial records and books of the corporation and shall perform all other duties incident to the office of Treasurer and such other duties as may be specified by the Board of Directors.

Section 11. The Secretary. The Secretary shall prepare and maintain the minutes of the Board of Directors in a book to be kept for that purpose. He or she shall give or cause to be given proper notice of all meetings of the Board of Directors as required in the Bylaws and shall perform such other duties as are customarily performed by such officer and such other duties as may be specified by the Board of Directors.

Section 12. The Executive Director. The Executive Director shall be the President and Chief Executive Officer of the Corporation and be a non-voting member of the Board of Directors. The Executive Director shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the

Corporation; shall have general powers and duties of management usually vested in the office of president of a corporation, shall serve on the Executive Committee and shall have the general powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 13. Bonding. The corporation may secure a bond to protect the corporation from loss in the event of defalcation by any of the officers, which bond may be in such form and amount and with such surety as the Board of Directors may deem appropriate.

ARTICLE VI

FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year.

ARTICLE VII

NOTICE

Section 1. Form of Notice. Whenever by law, the Articles of Incorporation of these Bylaws, notice is to be given to any director and no provision is made as to how such notice is to be given: (i) in writing, by mail, postage prepaid, addressed to such director as such address as appears in the records of the Corporation or (ii) in any other method permitted by law. Any notice required or permitted to be given by mail will be deemed to be given two days after the same is deposited in the United States mail.

Section 2. Waiver. Whenever any notice is required to be given to any director of the corporation as required by law, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or person entitled to such notice, whether before or after the time stated in such notice, will be equivalent to the giving of such notice. Attendance of a director at a meeting will constitute a waiver of notice of such meeting, except where such director attends for the express purpose of objecting, at the beginning of the meeting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE VIII

GENERAL PROVISION

Section 1. Conflicts of Interest. No director or officer shall participate in the selection, award or administration of a contract if a real or apparent conflict of interest would be involved. A director or officer shall be considered to have a conflict of interest if (a) such director or officer has existing or potential financial or other interest which impair or might reasonably appear to impair such person's independent, unbiased judgment in the discharge of his or her responsibilities to the Corporation, or (b) such

director or officer is aware that a family member (which for purposes of this section shall be a spouse, parents, siblings, children and any other relative if the latter resides in the same household as the director or officer), or any organization in which such director or officer (or family member) is an officer, director, employee, member, partner, trustee or controlling stockholder, has such existing or potential financial or other interest. All Directors or officers shall disclose to the Board of Directors any possible conflict of interest at the earliest practicable time. No director shall vote on any matter under consideration at a Board of Directors or Committee meeting in which such director has a conflict of interest, either real or apparent. The minutes of such meeting shall reflect that a disclosure was made and that the director having a conflict of interest abstained from voting. Any director or officer who is uncertain whether he or she has a conflict of interest in any matter may request the Board of Directors or Executive Committee to determine whether a conflict of interest exists, and the Board or Directors or Executive Committee shall resolve the question by a majority vote.

Section 2. Identity of Interest. Each director shall complete a form identifying his or her interest, on the form provided by the Corporation annually, which potentially or actually may be deemed a conflict of interest or the appearance of a conflict. The completed and signed forms shall be maintained in official records of the Corporation for three years after the director ceases to serve as a member on the Board of Directors.

Section 3. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee of the Board of Directors may be taken without such a meeting of a consent or consents in writing, setting forth the action so taken, is signed by all the members of the Board of Directors or such committee, as the case may be.

Section 4. Compensation of Directors. Directors will not receive any stated salaries for their services, but may by resolution of the Board of Directors be reimbursed for their expenses as a member of the Board of Directors; provided that nothing herein contained will be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 5. Gratuities. No director or officer of the Corporation shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subagreements. If a Director or Officer receives a gift or unsolicited item of nominal intrinsic value (having a value of \$75.00 or less), such gift may be retained by the recipient; however, if the gift is determined to have a value of more than \$75, it must be returned to the giver with a note explaining the Corporation's gift policy.

Section 6. Discrimination Prohibited. In administering its affairs, the Corporation shall not discriminate against any person on the basis of race, color, creed, handicap, national origin, age, gender, or sexual orientation if known; furthermore, in interpreting these Bylaws, all masculine pronouns shall be deemed to refer equally to the feminine gender.

Section 7. Books and Records. The corporation's books and records shall include:

- (a) **General Records.** The Corporation shall maintain correct and complete books and records of account, including minutes of the proceedings of the Board of Directors and committees having any authority of the Board of Directors and a list of the names and addresses of directors, officers and any committee members.
- (b) **Financial Records.** The corporation shall maintain current true and accurate financial records with full correct entries made with respect to all financial transactions of the corporation in accordance with generally accepted accounting practices.
- (c) **Annual Reports.** The Board of Directors shall annually prepare or approve a report of the financial activity of the corporation for the preceding year. The report must conform to accounting standards as promulgated by the American Institute of Certified Public accountants and must include a statement of support, revenue and expenses and changes in fund balance, a statement of functional expenses and balance sheets for all funds; provided that the funds that the corporation shall only be required to comply with this subparagraph (c) to the extent it is required to do so under the Texas Non-Profit Corporation Act.

Section 8. Signing Checks. All checks of the corporation shall be signed by the Treasurer or by such other officer(s) or such other person(s) as the Board of Directors may from time to time designate.

Section 9. Seal. The corporation may have a seal and such seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Any officer of the corporation will have authority to affix the seal to any document requiring it.

Section 10. Indemnification.

- (a) **Indemnification in General.** Subject to the provisions of subsection (c) hereof, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than one by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is/was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement if he acted in good faith and in a manner reasonably believed to be in the best interest of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The

termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the corporation and with respect to any criminal action or proceeding had reasonable cause to believe that his conduct was unlawful. The Corporation shall indemnify a director of the Board of Directors in accordance with the terms of this paragraph for a period of three (3) years after such director's resignation.

(b) **Indemnification in a Proceeding by or in a Right of the Corporation.**

Subject to the provisions of subsection (c) hereof, the corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is/was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by faith and in such a manner he reasonably believed to be in the best interests of the corporation and with respect to any criminal action or proceeding had no reason to believe his conduct was unlawful.

(c) **Prohibited indemnification.** No person may be indemnified for any obligation resulting from a proceeding in which such person is found liable on the basis that personal benefit was improperly received by him whether or not the benefit resulted from action taken in the person's official capacity or in which such person is found liable to the corporation.

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

(e) **Determination and Authorization of Indemnification.**

(A) Before the corporation may pay any indemnification expenses (including attorneys' fees), the corporation shall specifically determine that indemnification is permissible, authorize indemnification and determine that expenses to be reimbursed are reasonable, except as provided in subsection e (c) below. The corporation may make these determinations and decisions by any one of the following procedures:

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

directors who at the time of the vote are not named defendants or respondents in the proceeding.

- (iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in subsection e (A)(iii), or if such a quorum cannot be obtained and such a committee cannot be established by a majority vote of all directors.
- (B) The corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by subsection e(A)(iii), above, governing the selection of special legal counsel. A provision contained in the Articles of Incorporation, the Bylaws or resolution of the Board of Directors that requires the indemnification permitted by paragraphs 6(a), 6(b) or 6(d) above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.
- (C) The corporation shall pay indemnification expenses before final disposition of a proceeding only after the corporation determines that the facts then known would not preclude indemnification and corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under subsection (A) above. The person written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the corporation if it is ultimately determined that the person had not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

Section 11. Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these Bylaws or of the laws of the State of Texas.

Section 12. Loans. The Corporation shall not make any loan to a director, officer or employee of the Corporation.

Section 13. Prohibited Acts. As long as the Corporation is in existence, no director, officer, or committee member of the Corporation shall:

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

Section 14. Intention to be Tax-Exempt. It is intended that the Corporation qualify as an organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, as amended.

Section 15. Amendment of Bylaws. These Bylaws may be altered, amended or repealed at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the directors present at such meeting.

Section 16. Invalid Provisions. If any part of these Bylaws is held invalid or inoperative for any reason, the remaining parts, so far as possible and reasonable, will be valid and operative.

Section 17. Relation to Articles of Incorporation. These Bylaws are subject to, and governed by, the Articles of Incorporation.