

**The Miracle League of Frisco**  
Frisco, Texas



**By-Laws for**  
**The Miracle League of Frisco**

**Updated: June 2010**

# BYLAWS OF MIRACLE LEAGUE OF FRISCO

## ARTICLE 1

### Name of Organization

1.01 **Name of Organization.** This organization shall be known as the “Miracle League of Frisco”. In this document the “Miracle League of Frisco” will also be identified as the Corporation, Organization or MLF.

## ARTICLE 2

### Objectives

2.01 **Objectives.** To instill in the physically and mentally challenged youth of our community the qualities of integrity, sportsmanship, equality, honesty, loyalty, courage and reverence so they may become well rounded, respectful adults. This objective will be accomplished by providing a supervised, safe environment for the chosen Miracle League organized sport. All volunteers should keep in mind that the achievement of great athletic skill is not the purpose of the league. The development of our youth is where the importance lies.

## ARTICLE 3

### Board of Directors

3.01 **Functions.** Except as specifically provided in the Corporation’s Articles of Incorporation or these Bylaws, all rights, powers, duties and responsibilities relative to management and control of the Corporation’s property, activities and affairs are vested in the Board of Directors. In addition to the power and authority expressly conferred by the Bylaws and the Articles of Incorporation, the Board of Directors may take any lawful action on behalf of the Corporation which is not by law or by the Articles of Incorporation or by these Bylaws required to be taken by some other party.

3.02 **Number & Term of Office.** The number of directors of the Corporation shall not be less than 2 or more than what is deemed necessary by the Executive Board of Directors at any given time. The Executive Directors shall be elected at the annual meeting of the Board of Directors and hold office for two years, at which time they must be re-elected to the position to continue to hold office.

3.03 **Schedule of Elections.** The schedule of elections after the formation of the Executive Board of Directors will be as follows:

President – Two-year term, elected every even year

Vice President of Operations – Two-year term, elected every odd year

Vice President of Finance – Two-year term, elected every even year

Vice President of Volunteers – Two-year term, elected every odd year

Vice President of Leagues – Two-year term, elected every even year

Secretary – Two-year term, elected every odd year

Treasurer – Two-year term, elected every even year

The Executive Board of Director positions will be elected as stated above and the positions will be elected by the voting members as stated in the voting rights. The elections will be held in January of each year with the new Board Member taking office immediately following election. All other positions on the Board of Directors are elected by the membership annually at the January meeting, and held for a one-year term. Coordinators, Liaison's and other non-elected members of the board, not serving as director or on the Executive Board, will be appointed with a one-year term.

**3.04 Voting Rights.** Each member of the Executive Board of Directors, Board of Directors, or Board Members that have been elected or appointed shall have (1) voting right. Board members who hold multiple positions on the Board of Directors shall be limited to (1) vote.

**3.05** The Board of Directors shall establish all operating policies, rules, and procedures not covered by these bylaws. Refer to Miracle League of Frisco Operating Policies.

**3.06 Board Vacancies.** A vacancy on the Board will be filled by the President appointing a new member of the Board of Directors for the remainder of the existing term. If the position of President is vacant, all vacancies will be filled by election through a majority vote by the existing Board of Directors.

**3.07 Removal.** Any member of the Board of Directors may be removed from office by the unanimous vote of the remaining Board of Directors.

**3.08 Meetings.** Meetings shall follow a schedule set by the Board of Directors and may be modified to fit the needs of the Organization.

Meetings must be attended by all Board of Directors, if a member of the Board misses three consecutive meetings, the Board of Directors will review the Board Members attendance record and take the necessary action, possibly including dismissal.

**3.09 Quorum and Voting.** A majority of the Executive Board of Directors then in office shall constitute a quorum for transaction business, unless otherwise provided by law or the Articles of In-organization. The majority vote of members present at a meeting at which a quorum is present constitutes the action of the Board of Directors, unless the vote of a larger number is required by law, the Articles of In-organization, or the Bylaws. Special circumstances may qualify for a special remote vote by phone, fax, or email; the quorum will be reached by a majority.

A Quorum consists of four voting Executive Board members present or by teleconference. A quorum must be met in order to conduct official business. Board members must be present as defined by the bylaws to vote. Proxy votes shall not be considered.

**3.10 Resignation.** A Director may resign at any time by giving written notice to the President of the Organization which notice shall be immediately forwarded to the Board of Directors. Unless otherwise specified in the resignation, the resignation shall take effect immediately upon receipt by the President, and the acceptance of the resignation shall not be necessary to make it effective. A successor shall be appointed and/or elected as provided by these Bylaws.

**3.11 Waiver of Interest.** All real and personal property, including all improvements located on the property, acquired by the Organization shall be owned by the Organization. A member shall have no interest in specific property of the Organization. Each member hereby expressly waives the right to require partition of all or part of the Organizations property.

**3.11.1 Member use of MLF property.** Through written acceptance by the President or Asset/Merchandise Manager, a member may use/borrow MLF property for a specific period of time and purpose. The property must then be returned by the specified date/time in the same condition as was before granted member use. If property is returned damaged or not returned at all, the borrowing member is responsible for monetary reconciliation equal to the value of repair of the said property.

### **3.12 The Board**

The Board of Directors may consist of the following:

#### **Executive Board of Directors**

- A. President
- B. VP of Operations
- C. VP of Finance
- D. VP of Leagues
- E. VP of Volunteers
- F. Secretary
- G. Treasurer

#### **Board of Directors**

- H. Public Relations Director
- I. Baseball League Director
- J. Soccer League Director
- K. Bowling League Director
- L. Gameday Director
- M. Fundraising Director
- N. Uniform & Awards Director
- O. Director of Photography
- P. Board Liaison

### **Other Appointed Members of the Board**

- Q. Recruiting Coordinator
- R. PR Liaison
- S. Asset and Merchandise Manager
- T. Assistant Fundraising Coordinator
- U. Umpire/Referee Coordinator

### **3.13 The Duties of the Board are as follows:**

#### **President**

- A. To preside over all meetings.
- B. To appoint committees, and act as ex-officio officer as needed.
- C. To break any tie vote.
- D. To call meetings as needed.
- E. To oversee the whole operations of Miracle League of Frisco.
- F. To take prudent and reasonable action in cases not covered herein, as such authority is implied.
- G. Coordinate League operations with the City of Frisco.

#### **Vice-President of Operations**

- A. To preside over all meetings in the absence of the President.
- B. To oversee the duties held by the Secretary, Gameday Director, Referee & Umpire Director, Public Relations Director, Fundraising Director, and Asset/Merchandise Manager.
- C. To assume the duties of any vacant directorship until the vacant office is filled by appointment by the President.
- D. Work closely with the Gameday Director to ensure all activities are coordinated with other Board areas.
- E. To coordinate with local city, school district, and other organization for the use and scheduling of game and practice fields and work with the league directors in scheduling sites and times.
- F. To serve as Chairperson in updating and maintaining on a regular basis, the Operating Policies and Bylaws of the Association.
- G. To perform duties as assigned by the President.
- H. To appoint and lead the vision committee and its objectives.
- I. To create and maintain the League Mission Statement.

#### **Vice President of Leagues**

- A. To oversee all activity of the directors of each sport as required as well as the Uniform/Awards Director.
- B. Coordinate with appropriate Directors to ensure efficient organization and ensure all duties are being performed in a timely and efficient manner in accordance with the League procedures (pictures, uniforms and trophies, etc...).
- C. Purchase and maintain all necessary insurance the League needs.
- D. Supervise and coordinate activities of League Directors.
- E. Liaison between League Directors and Board of Directors.

- F. Maintain roster of teams and coaches.
- G. Work with League Directors in recruiting coaches.
- H. Inform League Directors of any Board policy and/or rule changes.
- I. Assist wherever needed to ensure overall integrity of leagues.
- J. Schedule all regular season games.
- K. Set the number of teams for each League with Director's input.
- L. To perform duties as assigned by the President.

#### **Vice-President of Finance**

- A. To preside over all meetings in the absence of the President and VP of Operations.
- B. Oversee all aspects of financial activity within the organization.
- C. Files all necessary Government paperwork, including taxes.
- D. Ensure Organizations compliance with IRS.
- E. Create an operating budget and monitor closely to ensure compliance. Bring any issues and discrepancies to the attention of the other board members.
- F. Work closely with fundraising coordinators on all projects.
- G. Work closely with the Treasurer on all aspects of MLF finances.
- H. To perform duties as assigned by the President.

#### **Vice-President of Volunteers**

- A. To oversee all activity of buddies, photographers, game officials, and other volunteers as required.
- B. Work closely with the Buddy Coordinators in recruiting, pooling, and assigning volunteers as needed.
- C. To perform duties as assigned by the President.

#### **Treasurer**

- A. To receive and collect all funds of the Organization.
- B. To dispense all approved bills and charges under the direction of the Board of Directors, either approved by budget or individually.
- C. To maintain an accurate and current ledger as to all Association funds.
- D. To provide a full report of receipts and expenditures, deposit balances and financial condition at each meeting of the membership, with the exception of special called meetings.
- E. Change signature's on checking account each year to include President and Vice-President of Finance.
- F. Execute all checks on the League Bank account except at which time he/she is indisposed. In this case both the President and Vice-President of Finance must sign any checks.
- G. To perform duties as assigned by the President.

#### **Secretary**

- A. To maintain a complete list of all voting members.
- B. To handle all correspondence assigned by the President.
- C. To notify all Board Members of all meetings.
- D. To publish an agenda for the Board meeting at least five (5) days in advance.

- E. Maintain a list of disciplinary actions taken against any player, coach, umpire, or team.
- F. Maintain the records of any protest or appeals.
- G. Record, maintain and archive all organizational minutes. Minutes must be written and distributed to all board members electronically no later than 7 calendar days following a meeting.
- H. Execute background checks on each coach, volunteer and Board member prior to the season they are participating in.
- I. Secure all MLF Board function facilities.
- J. To perform duties as assigned by the President.

### **Gameday Coordinator**

- A. Organize all aspects of Game-Day
- B. Work with the League Directors and Volunteer Coordinators to execute the game effectively.
- C. Work closely with the Umpire/Referee and Announcer Coordinator to recruit and staff all MLF game day activities as necessary.
- D. Responsible for the making sure fields are stocked with the necessary game and Audio Visual equipment each game day.
- E. Responsible for setting-up, taking down and securing all MLF assets on game-day.
- F. Coordinate and be responsible for all facets of Family Fun Day events.

### **Fund Raising Director**

- A. Develop annual fundraising plan and budget. Create events, activities, and programs to generate both short and long-term funds for the operating and capital budgets of the League.
- B. Manage and monitor all League fundraising activities. Recruit volunteers to support fundraising activities and events when required. Create and oversee committees to support the larger fundraising activities or events. Coordinate with the Public Relations Director and the Special Events Director to create awareness for the activities.
- C. Develop, maintain, and manage the League's sponsorship matrix. Recognize and reward sponsors, donors, and contributors in accordance with the matrix.
- D. Create, maintain, and manage a database of financial and in kind sponsors, donors, and contributors.
- E. Assist in the presentation of the League to groups interested in supporting the League in its sports activities, volunteer efforts, and financial needs.
- F. Search out and apply for grants to assist in the financial needs of the League.
- G. Assist the VP – Finance in duties delegated.

### **Umpire/Referee Coordinator**

- A. Recruit, organize and execute the game officials.
- B. Work closely with League Directors for a smooth and successful game-day.
- C. Work with the Gameday Director and the VP Leagues.
- D. To perform duties as assigned by the President.

### **Baseball League Director**

- A. Responsible for overall setup and execution of spring/fall baseball for the Miracle League of Frisco.
- B. Be vocal advocate of league at opening day and throughout the season.
- C. Work with League Director to get registration online in timely manner before the start of each season.
- D. Handle all scholarship requests, work with designated point of contact (President); and assist with registration of these athletes.
- E. Work with Uniform/Trophy Director to order applicable equipment for each season (jersey screening, bats, balls, etc...).
- F. Contact/recruit coaches
- G. Assign all athletes to teams using Sports Pilot.
- H. Provide coaches roster of players.
- I. Send league email to all players notifying them of their team assignment.
- J. Hold pre-season coaches meeting to discuss basic guidelines and any changes for the season (roster, etc...).
- K. Set playing schedule, times of games and which team plays.
- L. Attend games to ensure smooth operations (Game Day Duties).
- M. Verify umpires are set for their duties (refereeing, pitching, etc...)
- N. Verify announcer is announcing players as they come to bat (keep excitement level up).
- O. Make sure equipment is at each game.
- P. Work with Buddy Coordinator to ensure each athlete that requires a buddy is assigned one.
- Q. Work with Uniform/Trophy Director to get trophies ordered in time for end of season.
- R. Continually think of ways to improve the experience for the children.
- S. Be part of the team to assess a unified players abilities.
- T. To perform duties as assigned by the President.

### **Soccer League Director**

- A. Responsible for overall setup and execution of spring/fall baseball for the Miracle League of Frisco.
- B. Be vocal advocate of league at opening day and throughout the season.
- C. Work with League Director to get registration online in timely manner before the start of each season.
- D. Handle all scholarship requests, work with designated point of contact (President); and assist with registration of these athletes.
- E. Work with Uniform/Trophy Director to order applicable equipment for each season (jersey screening, bats, balls, etc...).
- F. Contact/recruit coaches
- G. Assign all athletes to teams using Sports Pilot.
- H. Provide coaches roster of players.
- I. Send league email to all players notifying them of their team assignment.
- J. Hold pre-season coaches meeting to discuss basic guidelines and any changes for the season (roster, etc...).
- K. Set playing schedule, times of games and which team plays.
- L. Attend games to ensure smooth operations (Game Day Duties).



- M. Verify referees are set for their duties
- N. Make sure equipment is at each game.
- O. Work with Buddy Coordinator to ensure each athlete that requires a buddy is assigned one.
- P. Work with Uniform/Trophy Director to get trophies ordered in time for end of season.
- Q. Continually think of ways to improve the experience for the children.
- R. Be part of the team to assess a unified players abilities.
- S. To perform duties as assigned by the President.

### **Bowling League Director**

- A. Responsible for overall setup and execution of Winter and Summer bowling for the Miracle League of Frisco.
- B. Be vocal advocate of league at opening day and throughout the season.
- C. Work with VP of Leagues to get registration online in timely manner before the start of each season.
- D. Handle all scholarship requests, work with designated point of contact (President); and assist with registration of these athletes.
- E. Work with Uniform/Trophy Director to order applicable equipment for each season (jersey screening, bats, balls, etc...).
- F. Contact/recruit coaches
- G. Assign all athletes to teams using Sports Pilot.
- H. Provide coaches roster of players.
- I. Send league email to all players notifying them of their team assignment.
- J. Hold pre-season coaches meeting to discuss basic guidelines and any changes for the season (roster, etc...).
- K. Set playing schedule, times of games and which team plays.
- L. Attend games to ensure smooth operations (Game Day Duties).
- M. Make sure equipment is at each game.
- N. Work with the Bowling Center for lane assignments, shoes, balls, etc... is available for the athletes.
- O. Work with Buddy Coordinator to ensure each athlete that requires a buddy is assigned one.
- P. Work with Uniform/Trophy Director to get trophies ordered in time for end of season.
- Q. Continually think of ways to improve the experience for the children.
- R. To perform duties as assigned by the President.

### **Uniform and Awards Director**

- A. To submit a budget and style of uniform and awards to the Board for approval.
- B. Coordinate with League Directors their league's uniform order.
- C. To solicit bids and order uniforms and awards.
- D. Coordinate with League Director the distribution of team uniforms and awards.
- E. To perform duties as assigned by the President.

### **Asset and Merchandise Manager**

- A. Maintain a current comprehensive and accurate inventory of all MLF non-monetary assets to include model numbers and written description of all items.

- B. To properly mark all MLF physical property and forward inventory and values to the treasurer monthly.
- C. Control sales merchandise inventory.
- D. To perform duties as assigned by the President.

### **Director of Photography**

- A. Coordinate other photographers to ensure the pictures of the athletes are recorded and posted.
- B. To maintain the Organizations media presentation and photography files.

### **Board Liaison**

- A. Report upcoming events associated with league affiliates, including but not limited to: Frisco Roughriders, FC Dallas, D-League, Frisco Sports Council.
- B. Encourage participation from Miracle League of Frisco in affiliate events when necessary.

### **Public Relations Director**

- A. Coordinate events that are attended or hosted by Miracle League of Frisco for the purpose of league awareness.
- B. Coordinate promotional material such as brochures, invitation, Thank You cards, website, media lists, media packets, advertisements, and press releases.
- C. To perform duties assigned by the President and VP of Operations.

### **Recruiting Coordinator**

- A. Assist PR Director in events that are attended or hosted by Miracle League of Frisco for the purpose of league awareness.

### **Non-Board Member Positions**

#### **Buddy Coordinator**

- A. Paid Position - \$4,500 Annually
  - a. Recruit, organize and execute the Buddy program.
  - b. Work closely with the League Directors for smooth, consistent and efficient operation of the Buddy program.
  - c. Work with the Secretary of the League to confirm all Buddies have the appropriate background checks.
  - d. To perform duties as assigned by the VP of Volunteers and the President.
  - e. This position is hired by and reports to the VP of Volunteers

Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Organization. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances.

ARTICLE 4  
TRANSACTIONS OF THE ORGANIZATION

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

4.02. The Organization is organized exclusively for charitable—purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

4.03. No part of the net earnings of the organization shall incur to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

4.04. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

4.05. **Deposits.** All funds of the Organization shall be deposited to the credit of the Organization in banks, trust companies, or other depositories that the Board of Directors selects.

4.06. **Gifts.** The Board of Directors may accept on behalf of the Organization any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Organization. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of in Organization, state law, and any requirements for maintaining the Organization's federal and state tax status.

4.07. **Prohibited Acts.** As long as the Organization is in existence, and except with the prior approval of the Board of Directors, no director, officer, or committee member of the Organization shall:

- (a) Do any act in violation of the bylaws or a binding obligation of the Organization.
- (b) Do any act with the intention of harming the Organization 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 Organization.
- (d) Receive an improper personal benefit from the operation of the Organization.
- (e) Use the assets of this Organization, directly or indirectly, for any purpose other than carrying on the business of this Organization.
- (f) Wrongfully transfer or dispose of Organization property, including intangible property such as good will.

4.08. **Committees.** The board of Directors may designate one or more standing committees with such duties and powers as the Board may provide in order to carry out the program and purposes of the Organization, and the board shall further designate an Executive Board Member will be assigned to serve on each committee.

ARTICLE 5  
BOOKS AND RECORDS

**5.01. Required Books and Records.** The Organization shall keep correct and complete books and records of account. The Organization's books and records shall include:

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

(b) A copy of the bylaws, and any amended versions or amendments to the bylaws.

(c) Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors.

(d) A list of the names and addresses of the directors, officers, and any committee members of the Organization.

(e) A financial statement showing the assets, liabilities, and net worth of the Organization.

(f) A financial statement showing the income and expenses of the Organization for the Organization.

(g) All rulings, letters, and other documents relating to the Organization's federal, state, and local tax status.

(h) The Organization's federal, state, and local information and income tax returns.

(i) All organizational documents, records and instruments (organizational and financial) must be kept in electronic form and stored in a Miracle League of Frisco owned back-up device free of virus or corruption.

**5.02. Inspection and Copying.** Any director of the Organization may inspect and receive copies of all books and records of the Organization required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Organization and if the person submits a request in writing.

ARTICLE 6  
INDEMNIFICATION

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

6.01. (a) The Organization shall indemnify a director, officer, committee member, employee, or agent of the Organization who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Organization. For the purposes of this article, an agent includes one who is or was serving at the request of the Organization. However, the Organization shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Organization's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Organization shall not indemnify a person who is found liable to the Organization or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

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

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

(d) In addition to the situations otherwise described in this paragraph, the Organization may indemnify a director, officer, committee member, employee, or agent of the Organization to the extent permitted by law. However, the Organization shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 6.01(a), above.

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

(f) If the Organization may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Organization, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

## **Procedures Relating to Indemnification Payments**

6.02. (a) Before the Organization may pay any indemnification expenses (including attorney's fees), the Organization shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 6.02(c), below. The Organization 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 paragraph 6.02(a)(i) or 6.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv) If Organization has members, and it is approved by a majority vote of members, excluding directors who are named defendants or respondents in the proceeding:

(b) The Organization 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 paragraph 6.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the articles of in Organization, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 6.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Organization shall pay indemnification expenses before final disposition of a proceeding only after the Organization determines that the facts then known would not preclude indemnification and the Organization receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 6.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Organization if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

6.03 **Insurance.** The Organization will provide D&O Insurance to cover the Board of Directors present and future members.

## ARTICLE 7 AMENDMENTS TO BYLAWS

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

## ARTICLE 8 MISCELLANEOUS PROVISIONS

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

### **Legal Construction**

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

### **Headings**

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

### **Gender**

8.04. Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

### **Parties Bound**

8.05. The bylaws shall be binding upon and inure to the benefit of the directors, officers, committee members, employees, and agents of the Organization and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.



