



BYLAWS
OF
Sisters Influencing Sisters to Achieve (SISTA)
A TEXAS NONPROFIT CORPORATION

ARTICLE I

These Bylaws ("Bylaws") constitute the code of rules adopted by the Board of Directors of SISTA, a Texas non-profit corporation (the "Corporation") and for the regulation and management of its affairs, in accordance with the provisions of Chapter 22 of the Texas Business Organizations Code, as amended from time to time (the "TBOC").

ARTICLE II

PURPOSE

The Corporation is formed for the following purpose:

- (a) To inspire young girls and women with love, faith, and hope. To promote education, leadership and community service. To encourage self-love, self-respect, and self-esteem in all women. To influence, build, and lead through mentorship and scholarship.
- (b) The Corporation is organized and shall be operated exclusively for charitable and educational purposes, according to the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code (the "Code"), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.
- (c) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, except that the Corporation 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 this Article. No substantial part of the activities of the Corporation 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 or in opposition to any candidate for public office. Notwithstanding any other provision of this document, the Corporation shall not carry on any other activities not permitted to be carried on (i) by an organization exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) by an organization, contributions to which are deductible under Section 170(c)(2) of the Code.
- (d) As provided by Section 22.304 of the TBOC, after all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged in accordance with Section 11.053 of the TBOC upon the dissolution of the Corporation,
 - (1) property held by the Corporation on a condition requiring return, transfer or conveyance because of the winding up or termination shall be returned, transferred or conveyed in accordance with that requirement; and
 - (2) the remaining property of the Corporation shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501(c)(3) of the Code, or described by Section 170(c)(1) or (2) of the Code, under a plan of distribution adopted under the TBOC.

A district court of the county in which the Corporation's principal office is located shall distribute to one or more organizations exempt under Section 501(c)(3) of the Code, or described by Section 170(c)(1) or (2) of the Code, the property of the Corporation remaining after a distribution of property under a plan of

distribution under the TBOC. The court shall make such distribution in the manner the court determines will best accomplish the general purposes for which the Corporation was organized.

- (e) Subject to the foregoing, the Corporation is formed for any and all lawful purposes for which a nonprofit corporation may be formed under the TBOC.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 **Powers.** The Board is vested with the management of the business and affairs of the Corporation, subject to the TBOC, the Corporation's Certificate of Formation, as it may be amended or restated from time to time (the "Certificate"), and these Bylaws. The responsibility for all business matters lies with the Board of Directors which consists of the president, vice president, and secretary.

Section 3.2 **Qualifications.** A directorship shall not be denied to any person on the basis of race, creed, sex, religion or national origin.

Section 3.3 **Number of Directors.** The number of directors initially constituting the Board shall be three. Thereafter, the number of directors constituting the Board may be determined from time to time by the Board, but in no event shall a decrease have the effect of shortening the term of an incumbent director or decreasing the total number of directors to fewer than three directors.

Section 3.4 **Term of Directors.** There shall be no fixed term for any director. Consequently, a director shall serve until his or her successor has been elected and qualified or until the director's earlier death, resignation, retirement, disqualification or removal.

Section 3.5 **Filling of Vacancies.** Any newly-created directorships resulting from an increase in the number of directors and any vacancy occurring in the Board resulting from the death, resignation, retirement, disqualification or removal of a director may be filled by a majority vote of the directors then in office, even if less than a quorum, or by a sole remaining director.

Section 3.6 **Resignation.** Any director may resign at any time by delivering written notice to the Corporation. Such resignation shall take effect upon receipt of the notice.

Section 3.7 **Removal.** Any director may be removed with or without cause, at any time, by a majority of the entire Board, at a regular meeting or at a special meeting called for that purpose. Any director under consideration for removal must first be notified about the consideration by written notice at least one day before the meeting at which the vote takes place.

Section 3.8 **Compensation.** Directors shall receive reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article II. Compensation is solely depending on the stability of the Corporation and shall be set by the board of directors. By resolution of the Board, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested directors approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any director.

Section 3.9 **Responsibility.** Directors of the Board has sole authority to set schedules and dates for the year; to set dues and fees at rates which will cover costs of operation; rental of necessary facilities, and other incidental expenses; to engage facilities for banquet and special programs; to approve

engagements and/or other special activities undertaken in the name of SISTA. The Board shall determine the need for and the responsibilities of committees to carry out projects or special programs.

Section 3.10 **Ex Officio Directors.** The Board may designate, from time to time, one or more persons as ex officio directors who shall serve in that capacity at the discretion of the Board. Such persons shall be entitled to receive notices of and to attend meetings of the Board but shall have no right to vote and shall have no duties or liabilities of a director, all in accordance with Section 22.210 of the TBOC.

ARTICLE IV

BOARD MEETINGS

Section 4.1 **Place of Board Meetings.** Meetings of the Board shall be held at such places, within or without the State of Texas, as may from time to time be fixed by the Board. The Board will meet once a year in February. A majority of those Board members present is necessary to transact any business brought before the Board.

Section 4.2 **Annual Meeting.** An Annual Meeting of the Board, beginning with the year 2020, shall be held each year during the month of February at such date, time and place as determined by the Board. At the Annual Meeting, the Board shall elect directors and officers and transact such other business as may properly come before the meeting. Notice of the date, time and place of the Annual Meeting shall be given to each director personally or by regular mail, telephone, facsimile or e-mail at least five days before the Annual Meeting.

Section 4.3 **Regular Meetings.** The Board may provide for regularly scheduled, periodic meetings of the Board by resolution stating the time and place of such meetings. Notice of such meetings shall not be required.

Section 4.4 **Special Meetings.** Special meetings of the Board (a) may be called by the President and (b) shall be called by the President or the Secretary on the written request of [two] or more directors. Notice of the date, time and place of special meetings of the Board shall be given to each director personally or by regular mail, telephone, facsimile or e-mail at least 24 hours prior to the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as otherwise required by law, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice of the meeting.

Section 4.5 **Waiver of Notice.** Attendance by a director at any meeting of the Board for which the director did not receive the required notice will constitute a waiver of notice of such meeting unless the director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

Section 4.6 **Quorum; Required Vote.** Three directors shall constitute a quorum for the purposes of convening a meeting of the Board or conducting business. A director present by proxy at a meeting may be counted toward a quorum. If a quorum shall not be present at any meeting, a majority of directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.7 **Actions Without a Meeting.** Any action required or permitted to be taken at any meeting of the Board, or of any committee designated by the Board, may be taken without a meeting, without prior notice and without a vote, if a written consent, stating the action to be taken, is signed by the number of directors, or committee members. Prompt notice of the taking of an action by directors or a

committee without a meeting by less than unanimous written consent shall be given to each director or committee member who did not consent in writing to the action.

Section 4.8 **Proxy Voting Permitted.** A director may vote by proxy executed in writing by such director and granted to any other director or the secretary of the meeting; provided however, that no proxy shall be valid more than three months after the date the proxy is executed.

Section 4.9 **Meetings by Remote Communications Technology.** A meeting of the Board or any committee designated by the Board may be held by means of a remote electronic communications system, including videoconferencing technology or the Internet.

ARTICLE V

COMMITTEES

Section 5.1 **Committees.** The Board may by resolution establish, name, fill vacancies in, change the membership of, or dissolve a committee to have and exercise the authority of the Board in the management of the Corporation. Such Committee shall consist of two or more persons.

Section 5.2 **Procedures.** The Board may create committees as needed, such as development, public education, data collection, etc. There shall be five committees – Scholarship, Mentorship, Fundraising, Community service, Membership, and Finance Committees. The Board of directors appoints all committee chairs. Committee chairs must be active good standing members of the SISTA. Committee co-chair is to be appointed by the committee chair. Action items should be approved by 2/3 vote consisting of Committee Chair, Committee Co-Chair, and one Board of Director

Section 5.3 **Scholarship.** This committee shall maintain scholarship application, select schools for scholarship. There shall be no more than 5 recipients in a fiscal year. Process, review, and select scholarship recipients. Maintain recipient database, Coordinate scholarship gala and other duties there like of. Shall provide yearly report of scholarship recipient records

Section 5.3.1 **Scholarship Requirements.** 11th grade junior classification, 2.5 GPA, 500 words on why attending college is important to you. If selected must attend recipient event scholarship award gala. Application shall be submitted by March, notification sent in May, award gala in July.

Section 5.4 **Mentorship.** This committee shall follow up with scholarship recipients and or select mentees for the senior year of high school not to exceed 5 mentees coordinates events keep record of mentees make sure mentors meet all requirements. Two events. Brunch/dinner Sep and college prep April and mentor will need to check in and support mentee.

Section 5.4.1 **Mentor Requirement.** Must be an active member and good standing of SISTA. Must be HISD VIPS approved. Must have 2 years of college experience and/or higher education experience. Must be able to attend two required events. Must be committed to check in and support assigned mentee.

Section 5.5 **Fundraising.** This committee shall seek funds to support the organization through all public resources not limited to grants, raffle tickets, fundraising events. Shall make sure all funds are accounted for and receipt are giving and keep record of said funds. Shall provide quarterly report of funds

Section 5.6 **Community Service.** This committee shall create at least one no more than three community service events in a fiscal year. Shall Coordinate such events and keep record of said events.

Section 5.7 **Membership.** This committee shall maintain record of active members. Send letters and correspondence to members. Coordinate member gala in December two awards will be given Member of the Year and Mentee of the year shall not be a member of the board of directors

Section 5.8 **Finance.** This committee shall develop and review fiscal procedures, and annual budget with staff and other Board members. The Board must approve the budget, and all expenditures must be within the budget. Any major change in the budget must be approved by the Board or the Directors. The fiscal year shall be the calendar year. Quarterly reports are required to be submitted to the Board showing income, expenditures and pending income. The financial records of the Council are public information and shall be made available to the membership, Board members and the public.

ARTICLE VI

MEMBERS

Section 6.1 **Power.** Said members of SISTA Corporation are non-voting members. The Board shall have the authority to establish and define nonvoting categories of membership.

Section 6.2 **Requirements.** Application for membership shall be open to persons that support the purpose statement in Article II. Membership fee is \$25 annually due by January 31 or at time of membership approval. Membership shall be granted upon a majority vote of the Board.

Section 6.3 **Continuing membership.** Membership is contingent upon being up to date on membership dues. Membership dues and privileges are determined by the Board. Only those persons whose membership is paid for the current year will be members in good standing. The Board may, at its discretion, terminate the membership of any person at any time by returning that person's current dues.

Section 6.4 **Meeting of Members.** Annual Meeting shall be held in February. The date/time of the regular annual meeting shall be set by the Board of Directors who shall also set the time and place.

ARTICLE VII

INDEMNIFICATION

Section 7.1 **Indemnification of Directors and Former Directors.** Each person who was or is a respondent or defendant or is threatened to be made a respondent or defendant, in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding, or any inquiry or investigation that could lead to such an action, suit, or proceeding (any of the foregoing, a "proceeding"), whether or not by or in the right of the Corporation, because such person is or was a director of the Corporation or, while a director of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venture, proprietor, trustee, employee, administrator, agent or similar functionary (a "representative") of another foreign or domestic corporation, limited or general partnership, limited liability company, business trust, real estate investment trust, joint venture, joint stock company, cooperative, association, bank, insurance company, credit union, association, proprietorship, trust, employee benefit plan, other enterprise or other organization (each, an "organization") (hereinafter, a "Covered Director") shall be indemnified by the Corporation to the fullest extent authorized or permitted by applicable law, as the same exists or may hereafter be changed, against all judgments (including arbitration awards), court costs, penalties, excise and similar taxes (including excise taxes assessed against such person with respect to an employee benefit plan), fines, settlements, reasonable attorneys' fees and other reasonable expenses (all of the foregoing, "expenses") actually incurred by such person in

connection with such proceeding, and such right to indemnification shall continue as to a person who has ceased to be a director or representative and shall inure to the benefit of his or her heirs, executors and administrators. Without limiting the foregoing, the right to indemnification hereunder includes the right to such indemnification if the Covered Director has met the standard of conduct under Section 8.101(a)(1) of the TBOC. IT IS EXPRESSLY ACKNOWLEDGED THAT THE INDEMNIFICATION PROVIDED IN THIS ARTICLE VIII COULD INVOLVE INDEMNIFICATION OF A COVERED PERSON FOR THE COVERED PERSON'S OWN NEGLIGENCE OR UNDER THEORIES OF STRICT LIABILITY.

Section 7.2 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.1, as the case may be, a Covered Person shall also have the right to be paid or reimbursed by the Corporation the reasonable expenses incurred in defending, testifying or otherwise participating in any such proceeding, in advance of the final disposition of the proceeding (an "advancement of expenses") and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that an advancement of expenses incurred by a Covered Person in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of a written affirmation by such person of such person's good faith belief that he or she has met the standard of conduct necessary for indemnification under the TBOC and a written undertaking (an "undertaking"), by or on behalf of such person, to repay all amounts so advanced if it shall be ultimately determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that the Covered Person has not met that standard or that indemnification of the Covered Person against expenses incurred by such person in connection with that proceeding is prohibited by the TBOC. The undertaking must be an unlimited general obligation of the Covered Person but need not be secured and shall be accepted by the Corporation without regard to the Covered Person's ability to repay.

Section 7.3 Right of Indemnitee to Bring Suit. If a claim under Section 7.1, Section 7.2 is not paid in full by the Corporation within 90 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 30 days, the Covered Person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by a Covered Person to enforce a right to an advancement of expenses) it shall be a defense that such Covered Person has not met the applicable standard for indemnification set forth in the TBOC, and (b) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Covered Person has not met any applicable standard for indemnification set forth in the TBOC. Neither the failure of the Corporation (including its directors who are not parties to such action or any committee of such directors) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the TBOC, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action or a committee of such directors) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, shall be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the

burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be upon the Corporation.

Section 7.4 Indemnification of Other Persons. This Article VII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Covered Persons. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any person who is or was serving at the request of the Corporation as a representative of another organization to the same extent that it may indemnify and advance expenses to Covered Persons under this Article VII and to any such further extent as may be authorized or permitted by law.

Section 7.5 Appearance as a Witness. To the extent a Covered Person is, by reason of being or having been a director or officer of the Corporation or a representative serving at the request of the Corporation, a witness or otherwise participates in any proceeding at a time when the Covered Person is not a defendant or respondent in the proceeding, the Corporation shall pay and reimburse reasonable expenses actually incurred by the Covered Person in connection there with.

Section 7.6 Non-Exclusivity of Rights. The rights provided to a Covered Person pursuant to this Article VIII shall not be exclusive of any other right that any such person may have or hereafter acquire under any law (common or statutory), provision of the Certificate or these Bylaws, agreement, vote of disinterested directors, or otherwise.

Section 7.7 Insurance and Other Arrangements. The Corporation may, to the extent permitted by law, purchase and maintain insurance, create a trust fund, establish any form of self-insurance (including a contract to indemnify), secure its indemnity obligation by grant of a security interest or other lien on assets of the Corporation, establish a letter of credit guaranty or security arrangement, or establish and maintain any other arrangement (any of the foregoing, an “arrangement”) on behalf of any person who is or was serving as a director, officer, employee, agent or volunteer of the Corporation or is or was serving at the request of the Corporation as a representative of another organization against any liability asserted against such person and incurred by such person in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify such person against such liability. If the insurance or other arrangement involves self-insurance or is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Corporation would not have the power to indemnify the person only if the insurance or arrangement has been approved by the Board.

Section 7.8 Notification. To the extent required by law, any indemnification of or advancement of expenses to a director or officer by the Corporation shall be reported in writing to the Board with or before the notice or waiver of notice of the next meeting of the Board or with or before the next submission thereto of a consent to action without a meeting and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 7.9 Amendments. Any repeal or amendment of this Article VII by the Board or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VII, shall, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

Section 7.10 **Contract Rights.** The rights provided to Covered Persons pursuant to this Article VII shall be contract rights and such rights shall continue as to a Covered Person who has ceased to be a director, officer, agent, employee or volunteer and shall inure to the benefit of the Covered Person's heirs, executors and administrators.

Section 7.11 **Certain Limitations.** If at any time the Corporation is deemed to be a private foundation within the meaning of Section 509 of the Code, then, during such time, no payment shall be made under this Article VII if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in Section 4941(d) or 4945(d), respectively, of the Code. Moreover, the Corporation shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Code Section 4958 or any other provision of the Code applicable to corporations described in Code Section 501(c)(3).

Section 7.12 **Severability.** If any provision or provisions of this Article VII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VII (including, without limitation, each such portion of this Article VII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE VIII

OPERATIONS

Section 8.1 **Execution of Documents.** Unless specifically authorized by the Board or as otherwise required by law, all contracts, deeds, conveyances, leases, promissory notes or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the President (or such other person designated by the Board), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President and must be approved by a resolution of the Board.

Section 8.2 **Disbursement of Funds.** Financial transactions that have a value of [\$10,000] or more shall require approval of the Board. In all other transactions, the President may disburse the funds of the Corporation in accordance with the annual budget approved by the Board and in furtherance of the purposes of the Corporation as set forth in the Certificate and these Bylaws.

Section 8.3 **Records and Reports.**

(a) The Corporation shall maintain current and accurate financial records in accordance with generally accepted accounting principles. Based on these records, the Board shall annually prepare or approve a financial report for the Corporation for the preceding year. The annual report shall comply with Section 22.352 of the TBOC.

(b) The Corporation shall keep at its principal place of business correct and complete records, books and annual reports of the Corporation's financial activity, and also keep minutes of the proceedings of the Board and committee meetings. The Corporation shall keep at its principal place of business the original or a copy of its Bylaws, including amendments to date certified by the Secretary of the Corporation.

Section 8.4 **Inspection of Books and Records.** Subject to the provisions of Section 22.353 of the TBOC, all books and records of the Corporation shall be made available to the public for inspection and copying at the Corporation's principal place of business during regular business hours.

Section 8.5 **Loans to Management.** The Corporation will not make any loans to any of its directors or officers.

Section 8.6 **Amendments.** The Certificate may be amended at any time by a vote of a majority of the directors then in office. These Bylaws may be amended at any time by a vote of a majority of the directors then in office.

Section 8.7 **Fiscal Year.** The fiscal year for the Corporation shall be January 1 to December 31 in each year.

ARTICLE IV

CONFLICT OF INTEREST POLICY

Section 9.1 **Definitions** Interested Person - Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. Financial Interest - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest isn't necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 9.2 **Procedures** Duty to Disclose In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement. Determining Whether a Conflict of Interest Exists After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/ she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9.3 Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 9.4 Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 9.5 Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 9.6 **Periodic Reviews.** To ensure the Organization operates in a manner consistent with charitable purposes and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 9.7 **Use of Outside Experts.** When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are

CERTIFICATION

I hereby certify that these Bylaws were adopted by the Board of Directors at its meeting held on
February 16, 2020.

By: _____
Jennifer J. Washington, President

Quinetta Z. Washington, Vice President

Jennifer B. Ogundana, Secretary