

**BYLAWS**  
**OF**  
**SMART CHOICES TEXAS**  
**A NONPROFIT CORPORATION**

Adopted July 16, 2018

# Table of Contents

## **ARTICLE I. NAME AND PURPOSES**

1.1 Name	1
1.2 Purposes	1
1.3 Tax-Exempt Status	2

## **ARTICLE II. OFFICES**

2.1 Principal Offices	2
2.2 Registered Office and Agent	2
2.3 Other Offices	2

## **ARTICLE III. BOARD OF TRUSTEES AND DIRECTORSS**

3.1 Management of SCT	2
3.2 Number of Trustees, Directors, Election, Term of Office and Qualifications	2
3.3 Removal	3
3.4 Place of Meetings	3
3.5 Notice of Meetings	3
3.6 Annual Meetings	3
3.7 Regular Meetings	3
3.8 Special Meetings	4
3.9 Alternative Forms of Meeting	4
3.10 Quorum and Manner of Acting	4
3.11 Compensation	4
3.12 Expectations	4

## **ARTICLE IV. NOTICES**

4.1 Manner of Giving Notice	5
4.2 Waiver of Notice	5

## **ARTICLE V. OFFICERS**

5.1 Principal Officers	5
5.2 Other Officers	6
5.3 Election of Officers	6
5.4 Term of Office: Removal: Vacancies	6
5.5 President	6
5.6 Vice-President	6
5.7 Secretary	6
5.8 Treasurer	7
5.9 Special Committees	7
5.10 Additional Powers and Duties	7
5.11 Compensation	7

**ARTICLE VI. EMPLOYEES & AGENTS**

6.1 Employment	7
6.2 Authority	7
6.3 Compensation	7

**ARTICLE VII. COMMITTEES**

7.1 Committees and Task Forces of the Trustees and Board of Directors	8
7.2 Executive Committee	8
7.3 Board Governance Committee	8
7.4 Nominating Committee	8
7.5 Personnel Committee	9
7.6 Finance Committee	9
7.7 Removal of Chairperson	9
7.8 Term of Committees	9
7.9 Other Committees	9
7.10 Existence: Change of Authority	10
7.11 Quorum and Manner of Acting	10
7.12 Records	10
7.13 Rules	10

**ARTICLE VIII. MISCELLANEOUS PROVISIONS**

8.1 Declaration of Interest	10
8.2 Indemnification of Trustees, Directors and Officers	10
8.3 Non-Liability of Trustee and Directors	12
8.4 Signature of Negotiable Instruments	12
8.5 Fiscal Year	12
8.6 Corporate Seal	12
8.7 Books and Records	12
8.8 Designation of Funds	12
8.9 Weapons	12
8.10 Whistleblower	12
8.11 Dissolution	13

**ARTICLE IX. AMENDMENTS**

9.1 Amendments	13
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**BYLAWS**  
**OF**  
**SMART CHOICES TEXAS**  
**A NONPROFIT CORPORATION**

**ARTICLE I. NAME AND PURPOSES**

**1.1 Name**

The name of the corporation is SMART CHOICES TEXAS (hereinafter referred to as "**SCT**"). SCT may operate under one or more assumed names, including "SMART CHOICES," and such other assumed name as the Board of Directors of SCT (the "**Board**"), may determine; provided, however, that such usage may not occur until SCT complies with all applicable laws relating to the recordation of assumed names.

**1.2 Purposes**

SCT is a Texas nonprofit corporation organized and operated exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or the corresponding provisions of any future federal tax code.

Within the scope of the foregoing purposes, and not by limitation, SCT is organized for the following specific purposes;

- a. Conduct an after-school program to help at-risk youth avoid drugs/alcohol, abuse, gang involvement, crime, bullying, poor nutrition, childhood obesity, and other self-destructive behaviors;
- b. Supplement youth academic achievement outside of school hours to improve comprehension, grades and standardized test scores by providing comprehensive tutoring and counseling. Foster the motivation to pursue higher education via mentorship and other relevant means;
- c. Engage in activities that promote health education and wellness for mental and physical health for all;
- d. Provide emergency assistance with food, household utilities, rent, mortgage assistance, clothing, hygiene products, baby care items, household supplies, and medical prescriptions to active participant families and to those in need;
- e. Youth and adult job prep, skills training, career planning, training programs, and job placement.
- f. Enrich the lives of children by providing STEM programming and field-trips;
- g. Domestic emergency and disaster preparedness, response, relief, recovery, and mitigation of survivors and their communities whom are located within the United States of America;
- h. Small business development, training, and assistance;
- i. Develop and provide safe Affordable Housing for low-income individuals and families;
- j. Provide supportive services and case management to Veterans and their families;
- k. Increase volunteer participation and fundraising activities to support our programs; and
- l. Develop and operate a nonprofit grocery store that provides access to higher quality food in food deserts and lower-income areas.

Notwithstanding any other provision of these Bylaws, SCT will not conduct any activities not permitted to be conducted by an organization exempt from federal income tax under Section 501(c)(3) of the Code, or any corresponding provisions of any future tax code.

No substantial part of the activities of SCT will attempt to influence legislation, except as provided by Section 501(h) of the Code. SCT will not participate in any way in any political campaign on behalf of any candidate for public office.

### **1.3 Tax-Exempt Status**

SCT will be organized and operated in such a manner as to be a nonprofit corporation exempt from United States federal income tax. No part of its net earnings or assets will be distributed as a dividend.

## **ARTICLE II. OFFICES**

### **2.1 Principal Offices**

The principal office of SCT will be located in Dallas County, Texas at such place as may be determined from time to time by the Board.

### **2.2 Registered Office and Agent**

SCT will have a registered office and registered agent in Texas with the location to be determined by the Board. The address of the registered agent will be the same as the registered office.

### **2.3 Other Offices**

SCT may have, in addition to its principal office and its registered office in the State of Texas, such other offices and places of business, both within and without the State of Texas, as the Board may from time to time determine or the activities of SCT may require.

## **ARTICLE III. BOARD OF TRUSTEES AND DIRECTORS**

### **3.1 Management of SCT**

The activities, property, and affairs of SCT will be managed by the Trustees and the Board of Directors. The Board of Directors shall be responsible for the hiring of the Executive Director who shall have general supervision and oversight of the operation of SCT, accountable to the Board of Directors. The Board of Directors, along with the Executive Director, shall be responsible for determining policy, maintaining equipment and property, assets, and providing, expending and accounting for all funds.

### **3.2 Number of Trustees, Directors, Election, Term of Office and Qualifications:**

a. Number of Trustees and Directors:

The Board will consist of not fewer than three (3) and not more than thirty (30) Trustees and Directors. The Board may set the number of Trustees and Directors at a regular or special meeting at which a quorum is present for which not less than thirty (30) day notice is given.

b. Election:

The election and re-election of Trustees and Directors shall be by recommendation and motion to the Board by the Nominating Committee at any regularly scheduled meeting of the Board of Directors and Trustees and shall be decided by a vote of the majority of the Directors/Trustees at the next scheduled meeting.

c. Term:

1. Each Director will serve a three (3) year term effective the month after election or until his or her earlier death, resignation or removal.
2. A person nominated by the Nominating Committee and elected by the Board to fill a vacancy of an unexpired term of a Trustee/Director will complete the unexpired term. A person nominated by and approved by the Board to fill a vacancy, other than the vacancy with an unexpired term, or a Trustee/Director elected to the Board during the course of the year, shall be considered as having completed one year of the three-year term as of December 31 of the year of election.
3. Terms begin throughout the year on the month following election by the Board of Directors and end on December 31 of each calendar year.
4. A Trustee/Director may serve unlimited successive three (3) year terms if duly nominated by the Nominating Committee and elected by the majority of all of the Trustees/Directors. Renewals shall be presented to the Board for election in November.
5. The Secretary will maintain a record of each Trustee/Director's term.

Qualifications:

The Board will adopt criteria for Trustees/Directors. Each Trustee/Director must be at least twenty-one (21) years of age and possess such skills as legal, fiscal, personnel, management, educational, and/or marketing; committed to devoting time as a leader, Officer, and/or committee member;

### **3.3 Removal**

Any Trustee/Director may be removed from office at any time, with or without cause, by an affirmative vote of the majority of all the Trustees/Directors, with the Director to be removed not voting.

### **3.4 Place of Meetings**

Meetings of the Board will be held at such places, within or without the State of Texas, as may from time to time be determined by the Board and communicated to all Trustees/Directors, or as may be specified in the respective notices or waivers of notice of such meetings.

### **3.5 Notice of Meetings**

Notice of all annual and regular meetings shall be given at least ten (10) days in advance in any manner provided by these Bylaws.

### **3.6 Annual Meetings**

An annual meeting of the Board will be held in the month of December of each year upon at least ten (10) days written notice to each Trustee/Director of a date and at such place as determined by the Board. Such annual meetings will include the installation of Trustees/Directors and Officers and the transaction of such other business as may be brought before such meetings.

### **3.7 Regular Meetings**

Regular meetings of the Board will be held as determined by the Board. Except as otherwise provided by statute, the Articles of Incorporation of SCT or these Bylaws, any and all business may be transacted at any regular

meeting, and neither the purpose of nor the business to be transacted at any regular meeting need be specified in any notice or waiver of notice of such meeting.

### **3.8 Special Meetings**

Special meetings of the Board may be called by any Officer or one-third (1/3) of the Trustee/Directors. Written notice stating the place, date, and time of each special meeting will be given to each Trustee/Director, not less than three (3) days before the date of such meeting. Except as otherwise expressly provided by statute, the Articles of Incorporation of SCT or these Bylaws, any and all business may be transacted at any special meeting and must be specified in the notice or waiver of notice of such meeting.

### **3.9 Alternative Forms of Meeting**

Subject to the notice provisions of these Bylaws, the Board may hold an annual, regular or special meeting by means of conference telephone or similar communications equipment or another suitable electronic communications system (such as videoconference or the internet) that permits each person participating in the meeting to communicate with all other persons participating in the meeting. Participation in any such meeting shall constitute presence in person at such meeting and waiver of notice of such meeting, except when a person participates in such meeting for the express purpose of objecting to the transaction of any business on the ground that such meeting is not lawfully called or convened. Any committee provided for in these Bylaws or established by the Board may also hold its meetings by means of such conference telephone or similar communications equipment.

### **3.10 Quorum and Manner of Acting**

At all meetings of the Board the presence of a majority of the number of Trustees/Directors then serving will constitute a quorum for the transaction of business, except as otherwise expressly provided by statute, the Articles of Incorporation of SCT or these Bylaws. Trustee/Directors present by proxy will be counted for the purpose of determining the existence of a quorum. The act of a majority of the Trustee/Directors present, in person or by proxy, at a meeting at which a quorum is present will constitute the act of the Board unless the act of a greater number is required by statute, the Articles of Incorporation of SCT or these Bylaws.

A Trustee/Director may vote at any meeting in person or by proxy. At any meeting, each Trustee/Director is entitled to one (1) vote. No proxy will be valid after three (3) months from the date of its execution. Each proxy will be revocable unless its irrevocability is expressly provided or unless otherwise made irrevocable by law.

If a quorum is not present at any meeting of the Board, then a majority of the Trustee/Directors present at such meeting may adjourn the meeting without notice, other than announcement at the meeting that a quorum is not present.

### **3.11 Compensation**

SCT is primarily an all-volunteer corporation. SCT may pay reasonable compensation to Trustee/Directors, Officers and Employees for services rendered to the corporation. The Board may hire an Executive Director to supervise and oversee the activities of the corporation. Trustee/Directors shall be reimbursed from SCT funds for reasonable expenses properly incurred by them on behalf of SCT if approved by the Board.

### **3.12 Expectations**

- a. Each Trustee/Director is expected to serve on at least one committee, task force, or council.
- b. Each Trustee/Director is expected to participate in the fundraising efforts of SCT.

- c. Each Trustee/Director is expected to make an annual personal contribution to SCT consistent with his financial means. Hardship waivers will be granted at the discretion of the Board.
- d. Each Trustee/Director is expected to attend all meetings of the Board. Any Trustee/Director missing three (3) consecutive or a total of five (5) meetings in a year may be removed at the discretion of the Board. The Board may recommend removal of the Trustee/Director to the Board for non-participation.
- e. Each Trustee/Director is expected to attend Volunteer Training and/or Board Orientation or a portion thereof to obtain sufficient knowledge of SCT's programs within one (1) year of being elected as a Trustee/Director.
- f. Each Trustee/Director is expected to contribute to the "Sunshine Fund," as requested by the Founder, to be used for incidentals such as flowers for a sick Trustee/Director, etc.
- g. Each Trustee/Director is expected to attend such programs as Strategic Planning and retreats designed to continue the education, orientation, and development of Trustees/Directors.
- h. Each Trustee/Director is expected to review and execute a Compliance Agreement and Conflict of Interest Statement annually.

## **ARTICLE IV. NOTICES**

### **4.1 Manner of Giving Notice**

Whenever, under the provisions of any statute, the Articles of Incorporation of SCT or these Bylaws, notice is required to be given to any Trustee/Director or any committee and no provision is made as to how such notice must be given, such notice requirement will not be construed to require personal notice. Notice may be given by mail, email or fax, addressed to such Trustee/Director or committee member at his or her address as it appears on the records of SCT. Any notice required or permitted to be given by mail, email, or fax will be deemed to be given at the time when it is deposited in the United States mail, emailed or faxed. Service by fax or email after 5:00 p.m. local time of the recipient will be deemed served on the following day.

### **4.2 Waiver of Notice**

Whenever, under the provision of any statute, the Articles of Incorporation of SCT or these Bylaws, notice is required to be given to any Trustee/Director or any committee, a waiver thereof in writing signed by the person or persons entitled to such notice will be deemed equivalent to the giving of such notice, regardless of whether the waiver is executed before or after the time of such meeting. Attendance by a Trustee/Director or committee member at a meeting with respect to which such person was entitled to notice will constitute a waiver of notice to such meeting, unless the Trustee's/Director's attendance is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called and convened.

## **ARTICLE V. OFFICERS**

### **5.1 Principal Officers**

The Officers of SCT will be President, Vice President, Secretary, and Treasurer. Principal Officers may serve as Trustees/Directors. The President of the corporation shall be the Executive Officer and preside at meetings of the Board. The President shall be authorized to create such Committees as are deemed necessary and shall assign their duties.



## **5.2 Other Officers**

The Board may elect one or more Assistant Secretaries and Assistant Treasurers and such other Officers and assistant Officers and agents as it may from time to time deem necessary, advisable or appropriate, and such Officers and agents may exercise such powers and perform such duties as will be set forth in these Bylaws or determined from time to time by the Board. Such Officers and agents may, but need not be, Trustee/Directors of SCT.

## **5.3 Election of Officers**

All Officers will be elected by the Board in November, installed at the Board's annual meeting in December, and assume office on January 1. The Board will recommend a slate of Officers at the October Board meeting, and nominations will also be taken from the floor.

## **5.4 Term of Office: Removal: Vacancies**

A vacancy on the Board may be filled by calling a special election, or it may remain vacant until the next scheduled election in November. When a vacancy occurs, a Trustee/Director is elected to fill it. A Trustee/Director elected to fill a vacancy will serve the remainder of the term of their predecessor. Nominations for candidates can be submitted to the Secretary two (2) weeks prior to the November election or any Special Election. These nominations will be distributed to the voting membership along with the meeting announcement. Additionally, nominations will be permitted at the election as long as the individual meets all qualifications to be a candidate for the Board.

## **5.5 President**

The President has the following duties:

- a. Supervise the activities and affairs of SCT, subject to the provisions of applicable statutes, the Articles of Incorporation of SCT and these Bylaws.
- b. Preside at meetings with voting rights.
- c. Subject to the limitations expressly provided by statute, the Articles of Incorporation of SCT or these Bylaws, the President will have general authority to execute bonds, deeds, contracts and other instruments and documents in the name of and on behalf of SCT as the Board may from time to time direct, and to affix the corporate seal.
- d. Serve as the Executive Trustee/Director and Chair for the Executive Committee.
- e. In general, exercise all the powers usually appertaining to the President.

## **5.6 Vice-President**

The Vice President will support the President and take on presidential and Executive Director responsibilities during their absence. Additionally, the Vice President will lead the Fundraising Committee.

## **5.7 Secretary**

The Secretary has the following duties:

The Secretary shall be held responsible for the minutes of the Board of Directors. Maintain an accurate list of the names and addresses of all Trustees/Directors. Ensure that proper notifications are distributed for all Board meetings.

### **5.8 Treasurer**

The Treasurer will have charge and custody of and be responsible for all funds and securities of SCT; oversee the accounting and reporting for SCT in compliance with all local, state and federal agencies; and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or the Board. The Treasurer and Executive Director, shall prepare an annual budget to be presented for approval to the Board of Trustees/Directors prior to November 30. The Treasurer shall present financial statements monthly at Board meetings. The Treasurer shall chair the Finance Committee.

### **5.9 Special Committees**

The Board of Trustees/Directors may, from time to time, approve the creation of special committees as needed. Members of these committees will serve until they have completed their designated project or assignment and have provided a final report to the Board of Trustees/Directors.

### **5.10 Additional Powers and Duties**

In addition to the foregoing expressly enumerated duties, services and power, the Officers of SCT will exercise such further powers and perform such other duties as may be provided by statute, the Articles of Incorporation of SCT or these Bylaws, or as the Board may from time to time determine.

### **5.11 Compensation**

SCT is primarily an all-volunteer corporation. SCT may pay reasonable compensation to Trustees/Directors, Officers and Employees for services rendered to the corporation. The Board may hire an Executive Director to supervise and oversee the activities of the corporation. Trustees/Directors shall be reimbursed from SCT funds for reasonable expenses properly incurred by them on behalf of SCT if approved by the Board.

## **ARTICLE VI. EMPLOYEES & AGENTS**

### **6.1 Employment**

The Board may employ, evaluate and discharge the Executive Director upon such terms and conditions as the Board may determine.

### **6.2 Authority**

The Executive Director of SCT is responsible to the Board. With the advice and consent of the Board, the Executive Director will hire employees and agents of SCT as the proper conduct of operations may require, recommend employee compensation, and remove or suspend any employee or agent.

### **6.3 Compensation**

The Board may approve wage compensation in a reasonable amount to SCT employees and agents for services rendered. With the approval of the President or Treasurer, may reimburse SCT employees and agents from SCT funds for reasonable expenses properly incurred on behalf of SCT.

## **ARTICLE VII. COMMITTEES AND OTHER SUPPORTING GROUPS**

### **7.1 Committees and Task Forces of the Trustees and Board of Directors**

The following committees are established: Executive, Board Governance, Nominating, Personnel, Finance, and any other committee or task force the Board deems necessary. Each committee will perform all duties incident to the purpose of the committee and such other duties as may be assigned to the committee from time to time by the Board. The chair of each committee must be a member of the Board.

The President or the Board may appoint ad hoc –task forces from time to time. The term of each ad hoc – task force expires at the conclusion of the project or assignment or at the discretion of the Board. -

### **7.2 Executive Committee**

The Executive Committee will consist of the President, Vice-President, Immediate Past President, Secretary, and Treasurer. The President will serve as Chairperson of the Executive Committee. The Executive Committee has all the power and authority of the Board, except that it may not (a) select members of any standing committee or task force, (b) fill any vacancy in any office, or vacancy on the Board (c) approve the annual budget, or (d) employ or discharge the Chief Executive Officer. It is responsible for reviewing and evaluating current goals and objectives of SCT and facilitating Board involvement in the strategic planning process of future goals and objectives for SCT.

### **7.3 Board Governance Committee**

The Board Governance Committee will consist of the President, Vice-President, and such additional Directors appointed annually by the President and approved by the Board. The Executive Director shall serve as a nonvoting ex-officio member. The Board Governance Committee will be responsible for matters relating to board membership.

Renewals. In September the Board Governance Committee shall begin notifying Trustees/Directors with expiring terms. In October, the Trustee/Director must deliver to the chairperson of the Board Governance Committee a request to be considered for renewal. If approved by the Board Governance Committee, the nominee's name will be presented to the Board for election in November.

Prior to the October Board meeting, the Board Governance Committee will solicit names of potential candidates for Officers, committee chairpersons and members of the Nominating Committee. A slate of Officers shall be presented at the October Board meeting and voted on at the November Board meeting. Provided the consent of the nominee has been obtained in advance, nominations for Officer in addition to those submitted by the Board Governance Committee may be made from the floor by any Trustee/Director.

At the November Board meeting, the Board Governance Committee shall present for approval the members of the Nominating Committee. Chairpersons requiring approval by the Board shall also be presented for approval at this time.

### **7.4 The Nominating Committee**

The Nominating Committee will consist of three (3) or more Trustees/Directors elected annually by the Board in November. The Board will elect one member of the Nominating Committee to serve as chairperson of the Committee. Not more than two (2) members of the Executive Committee, in addition to the Vice President, may serve on the Nominating Committee at the same time.

The Nominating Committee will establish qualifications and attributes for Trustees/Directors and Officers, actively seek and maintain a roster of diverse potential candidates, explain to nominees the duties and

responsibilities of Trustees/Directors, and provide nominees with copies of major organizational and operational documents of SCT, including but not limited to the Articles of Incorporation, the Bylaws, the Strategic Plan, and the most recent financial statements.

The report of the Nominating Committee will be presented to the Board from time to time as is necessary to report on filling vacancies resulting from resignation or removal. The Nominating Committee will nominate persons to fill any vacancies of Trustees/Directors.

#### **7.5 Personnel Committee**

The Personnel Committee will consist of at least two (2) Trustees/Directors and one chairperson, all recommended by the Board Governance Committee. The President may serve as a member of the Personnel Committee. A Director who serves as a volunteer cannot vote on personnel matters.

The Personnel Committee will recommend personnel policies to the Board and assist the Executive Director in developing and maintaining sound programs of personnel administration by reviewing personnel policies annually.

An evaluation of the Executive Director will be made annually by the Personnel Committee and the President. The evaluation shall be submitted to the Board at the November regular meeting of the Board. In closed session, the Board will review the evaluation and take appropriate action.

#### **7.6 Finance Committee**

The Finance Committee will consist of a minimum of three (3) Trustees/Directors appointed annually by the President. One or more members must be from the Executive Committee. The currently serving Treasurer may serve on the Committee as a voting member. The Committee will oversee accounting and financial reporting, including the selection and evaluation of an external audit firm. The Committee will review insurance policies and coverage, as well as advise on copyright and trademark processes for all SCT training materials. The Finance Committee will review and evaluate the risk management issues of SCT programs, individuals, and facilities, in compliance with **Principles for Good Governance and Ethical Practices**, published by the Panel on the Nonprofit Sector.

#### **7.7 Removal of Chairperson**

Any chairperson of any Committee may be removed at any time, with or without cause, by a majority of the Trustees/Directors.

#### **7.8 Term of Committees**

All members of Committees appointed by the President, as stated in these Bylaws, will be appointed in December and assume their positions in January. All other chairpersons and members will be elected by the Board at the November meeting and assume their positions in January.

#### **7.9 Other Committees**

One or more committees may be established by resolution adopted by the affirmative vote of a majority of the Trustees/Directors or by the President if authorized by resolution adopted by the Board. The members of such committees will be appointed by the President and may include persons who are not Trustees/Directors of SCT. Each committee, provided by resolution, will make recommendations to the Board and may implement any instructions, policies, plans, and programs approved, authorized, and adopted by the Board.

### **7.10 Existence: Change of Authority**

The Board may at any time terminate the existence or change the power and authority of any Committee established pursuant to this Article VII.

### **7.11 Quorum and Manner of Acting**

At all meetings of any Committee established pursuant to this Article VII, the presence of a majority of the voting members of such Committee will be necessary and sufficient to constitute a quorum for the transaction of business, unless otherwise provided by resolution adopted by vote of a majority of the Trustees/Directors then serving.

### **7.12 Records**

Each Committee established pursuant to this Article VII may keep a written record of its acts and proceedings and may report the same to the Board from time to time.

### **7.13 Rules**

Each Committee established pursuant to this Article VII may adopt rules for its own governance, provided such rules are not inconsistent with any statute, the Articles of Incorporation of SCT, these Bylaws, or any resolution adopted by the Board.

## **ARTICLE VIII. MISCELLANEOUS PROVISIONS**

### **8.1 Declaration of Conflict of Interest**

Each Trustee/Director must sign a Declaration of Conflict of Interest statement when he joins the Board. This statement must be renewed annually, in writing. Any potential conflict of interest must be declared to the President and the Executive Director as it may occur during the year or during a meeting.

### **8.2 Indemnification of Trustees, Directors and Officers**

- a. When Indemnification Is Required, Permitted, and Prohibited.
  - i. SCT will indemnify a Trustee, Director, Officer, member, committee member, employee, or agent of SCT who was, is, or may be named plaintiff, defendant or respondent in any proceeding as a result of his actions or omissions within the scope of his official capacity in SCT. For purposes of this article, an agent includes one who is or was serving at SCT's request as a Trustee, Director, Officer, member, committee member, employee or agent of SCT.
  - ii. SCT will indemnify a person only if he acted in good faith and reasonably believed that his conduct was in SCT's best interests. In case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe that the conduct was unlawful.
  - iii. SCT will pay or reimburse expenses incurred by a Trustee, Director, Officer, member, committee member, employee, or agent of SCT in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting SCT.
  - iv. In addition to the situations otherwise described in this paragraph, SCT may indemnify a Trustee, Director, Officer, member, committee member, employee, or agent of SCT to the

extent permitted by law. However, SCT will not indemnify any person in any situation in which indemnification is prohibited by paragraph 8.4.(a)(ii) above.

- b. SCT may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in paragraph 8.4(c), below, have been satisfied.
- c. Extent and Nature of Indemnity. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding.
- d. Procedures Relating to Indemnification Payments.
  - i. Before SCT may pay any indemnification expenses (including attorney's fees), SCT must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (iii), below. Such determination shall not be unreasonably withheld or delayed. SCT may make these determinations and decisions by anyone of the following procedures:
    - (1) Majority vote of a quorum consisting of Trustees/Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
    - (2) If such a quorum cannot be obtained, then by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all Trustees/Directors, consisting solely of two or more Trustees/Directors who at the time of the vote are not named defendants or respondents in the proceeding.
    - (3) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (1) or (2), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Trustees/Directors.
  - ii. SCT will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made.
  - iii. SCT may advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a), above. The person's written affirmation must state that he has met the standard of conduct necessary for indemnification under these Bylaws. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

### **8.3 Non-Liability of Trustees, Members of the Board, and Directors**

The Trustees, Board Members, Directors, and Officers shall not be held personally liable for the debts, liabilities, legal proceedings, or any other obligations of the corporation.

### **8.4 Signature of Negotiable Instruments**

All bills, notes, checks or other instruments for the payment of money will be signed or countersigned by such Trustees/Directors, Officers or agents, and in such manner, as are permitted by these Bylaws and as from time to time may be prescribed by resolution of the Board.

### **8.5 Fiscal Year**

The fiscal year of SCT will be fixed by resolution of the Board.

### **8.6 Corporate Seal**

The corporate seal of SCT, if any, will be such form as may be adopted and approved from time to time by the Board. The corporate seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, imprinted, digital, or in any manner reproduced.

### **8.7 Books and Records**

The Treasurer and Finance Director shall keep correct and complete books and records with respect to all financial transactions of SCT in accordance with generally accepted accounting principles consistently applied. The Board will review and approve the annual financial statements. All records shall be kept at the corporation principal office or other designated location as approved by the Board of Trustees/Directors in the State of Texas for at least three (3) years after the closing of each fiscal year and will be available to the public for inspection and copying during normal business hours. SCT may charge for the reasonable expense of preparing a copy of a record or report and will also keep minutes of the proceedings of its Board and Committees having any of the authority of the Board. Requests for inspection of records must be made in writing, sent via mail, and addressed the SCT Registered Agent for official records reporting.

### **8.8 Designation of Funds**

The Board may set aside funds for special, designated, or future purposes. This action requires a super majority by vote of at least two-thirds (2/3) of all of the Trustees/Directors. These funds may be re-directed as the Board may deem necessary with a similar two-thirds (2/3) super majority vote of all of the Trustees/Directors.

### **8.9 Weapons**

No weapons may be brought to SCT meetings, or onto the SCT property unless authorized specifically by Texas law.

### **8.10 Whistleblower**

SCT will not retaliate against, and will protect the confidentiality of any individual who makes a good faith report of illegal practices or violations of organizational policies, in accordance with the SCT Whistleblower Policy.

## **8.11 Dissolution**

Upon the dissolution of this corporation, 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 tax code, or shall be distributed to the federal government or a state or local government for a public purpose.

## **ARTICLE IX. AMENDMENTS**

### **9.1 Amendments**

The Board may alter, amend, or repeal these Bylaws at any meeting of the Board by a vote of two-thirds (2/3) of the Trustees/Directors present, provided that written notice of the proposed change is given at least ten (10) days prior to such meeting.

Approved by the Trustees and Board of Directors this 16<sup>th</sup> day of July, 2018 to be effective as of July 16, 2018.