

AMENDED AND RESTATED BYLAWS
OF
INTERNATIONAL LEADERSHIP OF TEXAS - GLOBAL

(formed under the Texas Business Organizations Code)

ARTICLE I.
NAME, PURPOSE, AND RESTRICTIONS

1.01. Name. The name of this corporation is International Leadership of Texas – Global (the “Corporation”).

1.02. Purpose. The Corporation has been formed under the Texas Business Organizations Code (the “TBOC”) and is organized and at all times shall be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended or corresponding section of any future United States internal revenue law or laws (the “Code”), including for such purposes as the making of distributions to organizations that qualify as tax-exempt organizations described in section 501(c)(3) of the Code. In particular, but not by way of limitation of the foregoing, the Corporation is organized to enrich, strengthen, enhance, and support the advancement of International Leadership of Texas, Inc., a nonprofit corporation and Texas Open-Enrollment Charter School Operator, and other public charter and private schools, by engaging in fundraising and other charitable activities as it deems appropriate in furtherance of the purposes set forth in the Corporation’s Certificate of Formation and these Bylaws. In addition, the Corporation will seek to own and operate a private elementary and secondary school that provides a Chinese cultural exchange program for the benefit of students in Texas and China, providing such students with a unique educational opportunity.

Furthermore, the Corporation is formed for the purposes of performing all things incidental to, or appropriate in, the achievement of the foregoing purposes. However, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its charitable and educational purposes described in the Certificate of Formation. The Corporation shall also hold and may exercise all such powers as may be conferred upon a nonprofit corporation by the laws of the State of Texas and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Corporation.

1.03. Restrictions on Activities. Notwithstanding any other provision of these Bylaws or the Certificate of Formation, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or by a corporation, contributions to which are deductible under section 170(c)(2) of the Code. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Corporation 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.

1.04. Nondiscrimination. The Corporation shall not discriminate based on sex, race,

Commented [SH1]: The Bylaws have been amended to remove ILT as the sole member, but also to ensure consistency with the Certificate of Formation, eliminate provisions not required by the TBOC, and conform the Bylaws to the current requirements of the TBOC. Various provisions in the existing bylaws were inconsistent with the TBOC or imposed restrictions not required by the TBOC. I have endeavored to drop comments to flag those places where these Bylaws differ in material respects from the existing bylaws.

[color, national and ethnic origin, religion, or disability in the administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.](#)

1.05. Dividends Prohibited. No dividend shall be paid to, and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its 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 these Bylaws and the Certificate of Formation.

ARTICLE II. MEMBERSHIP

2.01. Members. The Corporation shall have no members. The Board of Directors (the “Board”) may from time-to-time designate classes of individuals as “members,” but such individuals shall not acquire any legal rights by virtue of such title, including but not limited to any voting rights, an interest in any property, fund or other assets of the Corporation, inspection rights, or any other right, other than the right to attend and participate in members’ meetings and events.

2.02. Termination of Membership. The Board may terminate the membership of any member for any act or omission which is deemed by the Board to be inconsistent with the accomplishment of the purposes and objectives of the Corporation.

ARTICLE III. OFFICES

3.01. Location. The principal office of the Corporation shall be located within or without the State of Texas, at such place as the Board shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board may designate.

3.02. Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the TBOC. The registered office may, but need not, be identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board.

ARTICLE IV. BOARD OF DIRECTORS AND COMMITTEES

4.01. Power of Board and Qualifications of Directors. Subject to the provisions and limitations of the TBOC, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the day-to-day operation of the business of the Corporation to a management company, committee (however composed), or other person, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be

exercised under the ultimate direction of the Board. Directors need not be residents of the State of Texas. One or more persons may be *ex-officio* members of the Board.

4.02. Number of Directors. The Board shall consist of such number of Directors as shall be determined from time to time by resolution of the Board; provided, that at no time shall the number of Directors be less than three (3), and no decrease in number shall have the effect of shortening the term of any incumbent Director.

4.03. Appointment, Election and Term of Directors. The current Superintendent and Chief Executive Officer of International Leadership of Texas, Inc. shall at all times serve as one of the Corporation's Directors. One additional Director may be appointed by International Leadership of Texas. At each annual meeting of the Board, or at a regular or special meeting called for such purpose, the Directors shall elect individuals to fill all other vacancies created by (i) an increase in the number of Directors or (ii) Directors whose terms expire as of such meeting. No Director shall be elected if the election of such Director would cause a majority of the Corporation's Directors to be officers, directors, or employees of any another organization or entity.

~~The term of office for a Director shall be three (3) years. Unless the Board specifies a different term for a Director at the time the Director is appointed or elected, Each Director shall hold office until expiration of the term for which appointed and until a successor has been elected and qualified, or until removed from the position of Director as described below. Directors may serve any number of consecutive terms.~~

4.04. Newly Created Directorships and Vacancies. The Chairman of the Board shall appoint a director to fill ~~any~~ vacancy occurring in the Board, subject to ratification by the affirmative vote of a majority of the remaining Directors, even if such majority is less than a quorum of the Board, either at the annual meeting of the Board or at a special meeting called for that purpose. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of Directors called for that purpose.

4.05. Removal of Directors. Any one or more of the Directors, other than the Superintendent and Chief Executive Officer of International Leadership of Texas, Inc., may be removed with or without cause at any time by action of the Board, provided there is a quorum present. The Superintendent and Chief Executive Officer of International Leadership of Texas, Inc. may be removed with cause at any time by action of the Board, provided there is a quorum present. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Commented [SH2]: The current Bylaws have a provision on removal for missing Board meetings. I don't recommend that keeping that provision and have not carried it over.

Commented [SH3]: The current Bylaws have a provision on removal for missing Board meetings. I don't recommend that keeping that provision and have not carried it over.

4.06. Resignations. Any Director may resign at any time by delivering written notice to the Chairman, the Secretary, or the Board. Such resignation shall take effect when such notice is delivered unless the notice specifies a later effective date.

4.07. Quorum of Directors and Action by Board. Presence of a majority of the Directors then in office at a meeting of the Board constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws. A Director present by proxy at a meeting may not be counted toward a quorum; however, a Director may vote in person or by proxy executed in writing by the Director. Any such written proxy shall expire three (3) months after the proxy is executed.

Every act done or decision made by a majority vote of the Directors present in person or by proxy at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Certificate of Formation, these Bylaws, or the TBOC.

A meeting at which a quorum is initially present, including an adjourned meeting, may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a disinterested majority of the required quorum for such meeting, or such greater number as required by the Certificate of Formation, these Bylaws or the TBOC.

4.08. Meetings of Board. An annual meeting of the Board shall be held each year on such date and at such time and place as shall be determined by the Board. The primary purpose of the annual meeting will be to review the performance of the Corporation for the current fiscal year, to plan the operations and activities of the Corporation for the next fiscal year, to elect officers of the Corporation, and to transact any other business as may properly come before the Board of Directors.

Commented [SH4]: The current bylaws specify August, but this is not necessary and leaving it open affords flexibility if needed.

Other regular meetings of the Board may be held at such times and places as may be fixed from time to time by resolution adopted by the Board and communicated by written notice to all Directors. Meetings of the Board may be held either within or without the State of Texas.

Special meetings of the Board may be called by or at the request of the **President** or any two (2) Directors. The person or persons authorized to call special meetings by the Board may fix any place, either within or without the State of Texas, as a place for holding any special meetings of the Board called by them. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Commented [SH5]: Current bylaws specify Chairman, but we need to make sure there is a President, as that office is required by the TBOC.

Notice of any regular meeting (including the annual meeting) or special meeting of the Board shall be given at least three (3) days prior thereto by written notice delivered personally, sent by mail, facsimile, or electronic message to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Notice transmitted by facsimile or electronic message is considered to be given when the facsimile or electronic message is transmitted to a facsimile number or an electronic message address provided by the person, or to which the person consents, for the purpose of receiving notice. Any Director may waive notice of any meeting. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

In lieu of notice of regular or special meetings of the Board, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be the equivalent to the giving of such notice.

4.09. Management Committees. The Board, by resolution adopted by a majority of the Directors in office, may designate (or dissolve) one or more committees, which, to the extent specified by the Board, shall have and exercise the authority of the Board in the management of the Corporation, except that a committee may not exercise authority prohibited by the TBOC. [The roles, responsibilities, and rules of procedure of any such committee may be set by the Board.](#)

Commented [SH6]: The current bylaws allow the Chairman to establish a committee; however, the TBOC requires a board resolution.

Each such committee shall consist of two or more persons appointed by the Chairman, a majority of whom are Directors; the remainder need not be Directors. The Chairman may appoint or remove members of such committees in his sole discretion, [as may the Board](#). The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him or her by the TBOC. Any person other than a Director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof.

4.10. Non-Management Committees. The Board of the Corporation, by resolution adopted by the majority of the Directors at a meeting at which a quorum is present, or the President, if authorized by a similar resolution of the Board, may designate (or dissolve) one or more other committees that do not have the authority of the Board in the management of the Corporation. Members of such a committee may, but need not, be Directors. The Chairman may appoint or remove members of such committees in his or her sole discretion.

Commented [SH7]: The current bylaws don't provide for non-management committees, but this provision is permissive not mandatory.

4.11. Action without Meeting of Directors or Committee. Any action required to be taken at a meeting of the Board, or any action which may be taken at a meeting of the Board or committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of the Directors as would be necessary to take that action at a meeting at which all of the Directors were present and voted. The written consent must state the date of each Director's or committee member's signature. 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.

Commented [SH8]: The TBOC permits action by majority written consent (unanimity is not required).

4.12. Meetings by Remote Communications Technology. A meeting of the Board, or any committee of the Board, may be held by means of conference telephone or similar communications equipment, another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those means, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, the Corporation must implement reasonable measures to verify that every person at the meeting by means of remote communication is sufficiently identified and keep a record of any vote or other action taken.

4.13. Compensation of Directors. Directors shall serve without compensation, although they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties as Directors. Directors may be compensated for rendering services

to the Corporation in any capacity other than Director only if such other compensation is reasonable, allowable, and has been authorized in accordance with these Bylaws and any applicable state or federal laws and policies adopted by the Board.

ARTICLE V. OFFICERS

5.01. Officers. The officers of the Corporation shall consist of a Chairman, a President, a Secretary, a Treasurer, and such other officers and assistant officers as may be deemed necessary by, and are created by a resolution of, the Board. The Chairman and President shall be elected by the Board. The Chairman shall appoint the other officers of the Corporation, subject to ratification by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. The President may appoint such other subordinate officers as he or she deems necessary and appropriate to report to the President and perform such duties as assigned by the President to assist the President in carrying out the day-to-day affairs of the Corporation.

Commented [SH9]: The TBOC requires a President and Secretary. The Chairman can also be the President, but someone needs to be officially designated as the President.

Commented [SH10]: The current bylaws require annual re-election. These bylaws permit, but don't require that, and allow officers to serve up to a 3-year term as provided in the TBOC.

5.02. Term of Office. Each officer shall hold office for the term for which he is elected or appointed and until his successor has been appointed and qualified. The term of an officer may not exceed three (3) years.

5.03. Resignation and Removal. Any officer may resign at any time by delivering written notice to the Board. Unless the written notice specifies a later effective date, the resignation shall be effective when the notice is delivered to the Board. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby.

5.04. Vacancies. Any vacancy occurring in any office (other than a vacancy resulting from the normal expiration of term of office) may be filled by the Board if elected or appointed by the Board or by the President if appointed by the President. An officer elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

5.05. Powers and Duties of Officers. Subject to the control of the Board, all officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be provided by the Board and, to the extent not so provided, as generally pertain to their respective offices.

5.06. Chairman. The Board shall elect a Chairman from among the Directors to prepare or approve agendas for the meetings of the Board and to preside when present at the meetings of the Board. The Chairman shall also perform such other duties as the Board may from time to time prescribe. In the absence of the Chairman, the Secretary shall preside at the meetings of the Board.

5.07. President. The President shall be the chief executive officer of the Corporation and subject to the supervision and control of the Board shall generally supervise and control all the business affairs of the Corporation. The President shall have such other authority and perform such other duties as may be prescribed by the Board from time to time.

Commented [SH11]: The current Bylaws don't provide for a President, but that officer is required under the TBOC. These bylaws assume (but don't necessarily require) that the Chairman and the President will be the same person.

5.08. Secretary. The Secretary shall act under the direction of the Chairman and in his absence have the duties and powers of the Chairman. ~~In addition to, A Secretary will have other duties and powers as the Chairman or the Board of Directors may assign that are not inconsistent with these Bylaws. —The Secretary shall will have the general powers and duties usually vested in such office of a Corporation, including keeping all records and documents and the corporate seal at the principal office of the Corporation; affixing the corporate seal to any instrument requiring it and to attest the same by his or her signature when authorized by the Board of Directors or after the instrument has been signed by the Chairman, Vice Chairman or other authorized officer or agent; keeping the minutes of the meetings of the Board of Directors, the Executive and other and any committees thereof of the Board of Directors, the Executive and other committees of the Corporation to recorded in one or more books provided for that purpose, with the time and place, how they were called or authorized, the notice given, the names of those present, and the proceedings therein; and issuing proper notices in accordance with these Bylaws.—The Secretary/Treasurer will have such other powers and duties not inconsistent with these Bylaws as may be assigned by the Board of Directors or the Chairman.~~

Commented [SH12]: Is there, in fact, a corporate seal? If there is, this can be added back in.

5.09. Treasurer. The Treasurer shall be responsible for all funds and securities of the Corporation and will have the general powers and duties usually vested in such office of a Corporation, including receiving and documenting all monies due and payable to the Corporation; depositing all monies received in the name of the Corporation in a depository designed by the Board, disbursing monies of the Corporation under the direction or orders of the Board; entering regularly in the books kept by the Treasurer a complete and accurate account of all monies received and disbursed by the Corporation; rendering a statement of the financial accounts of the Corporation to the Board as requested; exhibiting the books of the financial accounts of the Corporation to the Board as requested; exhibiting the books of account in his custody to any Director upon request; and submitting a full financial report to the Board of Directors at the annual meetings. The Treasurer will have such other powers and duties not inconsistent with the Bylaws as may be assigned by the Board of Directors or the Chairman.

5.10. Compensation of Officers, Agents and Employees. Officers of the Corporation who are Directors shall serve without compensation, although they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties as officers. Officers may be compensated for rendering services to the Corporation in any capacity other than Director only if such other compensation is reasonable, allowable, and has been authorized in accordance with these Bylaws and any applicable state or federal laws and policies adopted by the Board.

ARTICLE VI. LIABILITY, INDEMNIFICATION, AND INSURANCE

6.01. General Standards for and Non-Liability of Directors. A Director shall discharge the Director's duties, including duties as a committee member, in good faith, with ordinary care (that is, with the care that an ordinarily prudent person in a similar position would exercise under similar circumstances), and in a manner the Director reasonably believes to be in the best interest of the Corporation. A Director is not liable to the Corporation or another person for an action taken or not taken as a Director if the Director acted in compliance with this Section.

Pursuant to section 22.221 of the TBOC, a person seeking to establish liability of a Director must prove that the Director did not act: (1) in good faith; (2) with ordinary care; and (3) in a manner the Director reasonably believed to be in the best interest of the Corporation. A Director of the Corporation is not considered to have the duties of a trustee of a trust with respect to the Corporation or with respect to property held or administered by the Corporation, including property subject to restrictions imposed by the donor or transferor of the property.

6.02. Required Indemnification of Governing Persons and Officers. Pursuant to section 8.051 of the TBOC, the Corporation shall indemnify its governing persons, former governing persons, and delegates, as defined in sections 1.002(37), 8.001(4), and 8.001(a) of the TBOC, respectively, against reasonable expenses actually incurred by the person in connection with a proceeding in which the person is a respondent because the person is or was a governing person or delegate if the person is wholly successful, on the merits or otherwise, in the defense of the proceeding. The Corporation shall indemnify an officer to the same extent that indemnification is required for a governing person under Chapter 8 of the TBOC.

The Corporation shall indemnify a governing person, former governing person, or delegate who was, is, or is threatened to be made a respondent in a proceeding to the extent permitted by section 8.102 of the TBOC, provided the determinations required under section 8.101(a) of the TBOC are made in accordance with section 8.103 of the TBOC. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be otherwise entitled.

6.03. Advancement of Expenses to Present Governing Persons or Delegates. To the fullest extent permitted by Chapter 8 of the TBOC, the Corporation shall pay or reimburse reasonable expenses incurred by a present governing person or delegate who was, is, or is threatened to be made, a respondent in a proceeding in advance of the final disposition of the proceeding without making the determinations required under section 8.101(a) of the TBOC after the Corporation receives: (1) a written affirmation by the person of the person's good faith belief that the person has met the standard of conduct necessary for indemnification under Chapter 8 of the TBOC; and (2) a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if the final determination is that the person has not met that standard or that indemnification is prohibited by section 8.102 of the TBOC.

6.04. Indemnification of Other Persons; Advancement of Expenses. Except as otherwise provided in this Article VI, the Corporation may, but is not required to, indemnify and advance expenses to a person who is not a governing person, including an officer, employee, or agent. The Corporation may pay or reimburse, in advance of the final disposition of a proceeding, and on terms the Corporation considers appropriate, reasonable expenses incurred by: (1) a former governing person or delegate who was, is, or is threatened to be made a respondent in the proceeding; or (2) a present or former employee, agent, or officer who is not a governing person of the enterprise and who was, is, or is threatened to be made a respondent in the proceeding. A determination of indemnification for a person who is not a governing person of an enterprise, including an officer, employee, or agent, is not required to be made in accordance with section 8.103 of the TBOC.

6.05. Reporting of Certain Indemnification and Advancement of Expenses. Any indemnification of or advance of expenses to a governing person in accordance with this Article VI shall be reported in writing to the Directors of the Corporation. Such report must be made with or before (1) the notice or waiver of notice of the next meeting of the Board, or (2) the next submission to the Directors of a consent to action without a meeting, and in no event may be made later than twelve months after the date of the indemnification or advance.

6.06. Severability. If any part of this Article VI shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

6.07. Insurance. To the fullest extent permitted by section 8.151 of the TBOC, the Corporation may purchase or procure and establish and maintain insurance or another arrangement to indemnify or hold harmless an existing or former governing person, delegate, officer, employee, or agent against any liability: (1) asserted against and incurred by the person in that capacity; or (2) arising out of the person's status in that capacity.

6.08. Prohibited Indemnification, Reimbursement, or Insurance. Notwithstanding any other provision in this Article VI, the Corporation may not indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Code. Further, 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 if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in sections 4941(d) and 4945(d) of the Code, respectively. Moreover, the Corporation shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance would result in a tax being imposed under section 4958 of the Code or any other provision of the Code applicable to corporations described in section 501(c)(3) of the Code.

ARTICLE VII. CONTRACTS, CHECKS, NOTES, AND LOANS

7.01. Contracts. The Board may authorize any officer or officers, or agent or agents, of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Either the President or the Secretary may sign any such instrument on behalf of the Corporation in the absence of a specific designation of authority to some other officer or representative by the Board.

7.02. Checks, Drafts or Orders for Payment, and Notes. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or agent or agents, of the Corporation and in such manner as authorized by these Bylaws or as shall from time to time otherwise be determined by resolution of the Board of Directors. If not otherwise determined by resolution of the Board of Directors, each check, draft, or other order for the payment of money equal to or less than \$10,000 may be signed by any officer of the Corporation and each check, draft, or other order for the payment of money more than \$10,000 shall be signed by any two officers of the

Corporation.

7.03. Prohibited Loans to Directors and Officers. No loans shall be made by the Corporation to its Directors. Directors who vote for or assent to the making of a loan to a Director of the Corporation, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof. A loan to an officer may be made only for the purpose of financing the officer's principal residence, subject to the restrictions set forth in section 22.055 of the TBOC.

7.04. Contracts or Transactions with Interested Persons. If any matter is presented to the Board or a committee of the Board in which an officer or Director has a direct or indirect financial interest, such interest and the material facts thereof must be fully disclosed to the Board or a committee of the Board before the Board or a committee of the Board takes action on such matter. No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its Directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for such reason, or solely because the Director or officer is present at or participates in the meeting of the Board or a committee of the Board which authorizes the contract or transaction, or solely because her or his or their votes are counted for such purpose, provided that: (a) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board or a committee of the Board and the Board or a committee of the Board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors present at a meeting at which a quorum is present even though the disinterested Directors are less than a quorum; or (b) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board or a committee of the Board. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee of the Board which authorizes a contract or transaction specified above.

The Board may adopt additional policies regarding the management of actual or potential conflicts of interest that are not inconsistent with this Section.

ARTICLE VIII. DEDICATION OF ASSETS

The properties and assets of the Corporation are irrevocably dedicated to charitable and educational purposes. In the event of a voluntary winding up or similar dissolution or final liquidation of the Corporation approved in the manner required by section 22.164 of the TBOC, and except as otherwise required by applicable state or federal law, after paying or making provision for the payment of all of the liabilities and obligations of the Corporation and for necessary expenses thereof, and after the return, transfer, or conveyance of all assets requiring return, transfer, or conveyance thereof because of the dissolution or liquidation of the Corporation, all of the remaining assets and property of the Corporation [shall be distributed first to International Leadership of Texas, Inc., so long as it is a described in section 501\(c\)\(3\) of the Code, and if not, then to one or more other charitable or educational organizations recognized by the Internal Revenue Service as described in section 501\(c\)\(3\) of the Code, or to a state or local government, for a public purpose, as determined by the Board of Directors of the Corporation.](#) Any assets not

so disposed of shall be disposed of by a district court of the county in which the Corporation's principal office is located to one or more organizations exempt from federal income tax as an organization described in section 501(c)(3) of the Code or described in section 170(c)(1) or (2) of the Code, as said court shall determine, which are organized and operated exclusively for such purposes. In no event shall any of such assets or property be distributed to any Director or officer, or any private individual.

ARTICLE IX. MISCELLANEOUS

9.01. Fiscal Year. The fiscal year of the Corporation shall [begin on September 1 of each year and shall end on August 31 of the next year.](#)

9.02. Books and Records. The Corporation shall keep minutes of the proceedings of the Board and any committees thereof. In accordance with section 22.352 of the TBOC, and to demonstrate compliance with federal tax law requirements, the Corporation shall also maintain current and accurate financial records with complete entries as to each financial transaction of the Corporation, including income and expenditures, in accordance with generally accepted accounting principles. The Board shall annually prepare or approve a financial report for the Corporation for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: (1) a statement of support, revenue, and expenses; (2) a statement of changes in fund balances; (3) a statement of functional expenses; and (4) a balance sheet for each fund.

The Corporation shall keep such records, books, and annual reports of the Corporation's financial activity at the Corporation's registered or principal office in Texas for at least three years after the close of the fiscal year. The Corporation shall make these records, books, and reports available to its officers, Directors, and the public for inspection and copying at the Corporation's registered or principal office during regular business hours. Pursuant to section 22.353 of the TBOC, the Corporation may charge a reasonable fee for preparing a copy of a record or report

9.03. Amendment of Certificate of Formation and Bylaws. The Certificate of Formation of the Corporation may be adopted, amended or repealed in whole or in part by majority vote of the Directors then in office. The Bylaws of the Corporation may be adopted, amended or repealed in whole or in part by a majority vote of the Board, unless such Bylaw is required by the TBOC.

9.04. Private Foundation Status. During such period, or periods, of time as the Corporation is treated as a "private foundation" pursuant to section 509 of the Code, the Corporation shall make distributions at the time and in the manner as not to subject it to tax under section 4942 of the Code; the Corporation shall not engage in any act of self-dealing which would be subject to tax under section 4941 of the Code; the Corporation shall not retain any excess business holdings which would subject it to tax under section 4943 of the Code; the Corporation shall not make any investments (or retain any assets) which would subject it to tax under section

4944 of the Code; and the Corporation shall not make any taxable expenditures which would subject it to tax under section 4945 of the Code.

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CERTIFICATE OF SECRETARY

The undersigned, being the Secretary of International Leadership of Texas – Global hereby certifies that the foregoing Bylaws were duly adopted by the Board of Directors of said Corporation with an effective date of July 1, 2021.

Curtis Donaldson, Vice President and Secretary