

# BYLAWS OF ISLAND FOUNDATION

## ARTICLE ONE NAME, PURPOSES AND OFFICES

Section 1.1. Name. The name of this corporation is Island Foundation (herein called the Corporation).

Section 1.2. Purposes. The Corporation is organized and will be operated exclusively for charitable, religious, scientific, literary or education purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provisions or provision of any subsequent United States revenue law.

Section 1.3. Offices. The Corporation may have, in addition to its registered office, offices at such places, both within and without the State of Texas, as the Board of Directors may from time to time determine or as the activities of the Corporation may require.

## ARTICLE TWO BOARD OF DIRECTORS

Section 2.1. General Powers: Delegation. The activities, property and affairs of the Corporation shall be managed by its Board of Directors, who may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by statute or by the Articles of Incorporation or by these Bylaws.

Section 2.2. Number and Qualifications. The Board of Directors shall consist of directors which number may be increased or decreased from time to time; provided, that at no time shall the number of directors be less than three and no decrease in number shall have the effect of shortening the term of any incumbent director. None of the directors need be residents of the State of Texas.

Section 2.3. Term of Office. The directors of the corporation, except the Program Liaisons shall hold office for a term of 3 years elected on a rotating basis with one third of the directors elected each year, or until their resignation, retirement, disqualification or removal from office. The Program Liaisons

shall hold office for a term of one (1) year or until their resignation, retirement, disqualification or removal from office.

Section 2.4. Filling of Vacancies. Any vacancy occurring in the Board of Directors resulting from the death, resignation, retirement, disqualification, removal from office of any directors or as the result of an increase in the number of directors shall be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, at any annual or special meeting thereof. Any director elected or appointed to fill a vacancy shall hold office until the end of the original term of office or until his resignation, retirement, disqualification or removal from office.

Section 2.5. Removal. Any director may be removed, either for or without cause at any annual or special meeting of the Board of Directors by the affirmative vote of any majority of the number of Directors fixed by these Bylaws, if notice of the intention to act upon such matter shall have been given in the notice of such meeting.

Section 2.6. Place of Meeting. Meetings of the Board of Directors shall be held at such places, within or without the State of Texas, as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 2.7. Annual Meetings. An annual meeting of the Board of Directors, commencing with the year 1994, shall be held on the third Monday in August at 7:00 o'clock p.m. in each year, if not a legal holiday in the place, then on the next full business day following at 7:00 o'clock p.m., at which they shall elect officers, and transact any and all other business as may properly come before the meeting. Written or printed notice stating the place, day and hour of each annual meeting of the Board of Directors shall be delivered not less than two (2) or more than fifty (50) days before the date of such meeting, either personally or by mail, by or at the direction of the President or Secretary, to each director entitled to vote at such meeting.

Section 2.8. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may be fixed from time to time by resolution adopted by the Board and communicated to all directors. Except as otherwise provided by statute, the Articles of Incorporation, or these Bylaws, any and all business may be transacted at any regular meeting.

Section 2.9 Special Meetings. Special meetings of the Board of Directors may be called by the President on a 48 hour notice, either personally or by mail or by email. Special meetings shall

be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more directors. Except as may be otherwise expressly provided by statute or by the Articles of Incorporation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 2.10. Quorum and Manner of Acting. At all meetings of the Board of Directors the presence of a majority of the number of trustees fixed by these Bylaws shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation or by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by statute, by the Articles of Incorporation or by these Bylaws, in which case the act of such greater number shall be requisite to constitute the act of the Board. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law. If a quorum shall not be present at any meeting of the directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting any business may be transacted which might have been transacted at the meeting as originally convened.

Section 2.11. Director's Compensation. No director shall receive compensation for his or her services as director or as a member of a standing or special committee of the Board. Nothing herein contained shall be construed to preclude any director from receiving reimbursement for expenses incurred on behalf of the Corporation or in attending meetings of the Board of Directors or any such committee or from serving the Corporation in any other capacity and receiving compensation therefor.

Section 2.12. Consent of Directors. Any action required or permitted to be taken at the meeting of the Board of Directors or any committee may be taken without a meeting in a consent in writing setting forth the action to be taken shall be signed by all of the directors or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as unanimous vote, and may be stated as such in any document.

**ARTICLE THREE**  
**NOTICES**

Section 3.1. Manner of Giving Notice. Whenever, under the provisions of the statute or of the Articles of Incorporation or by these Bylaws, notice is required to be given to any director or committee member of the Corporation, and no provisions is made as to how such notice shall be given, it shall not be construed to require personal notice, by any such notice may be given in writing by mail, postage prepaid, addressed to such director or member at his address as it appears on the records of the Corporation. Any notice required or permitted to be given by mail shall be deemed to delivered at the time when the same shall be thus deposited in the United States mails, as aforesaid.

Section 3.2. Waiver of Notice. Whenever any notice is required to be given to any director or committee of the Corporation under the provisions of the statute of the Articles of Incorporation or of these Bylaws, 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 deemed equivalent to the giving of such notice.

**ARTICLE FOUR  
COMMITTEES OF THE BOARD**

The Board of Directors may, by resolution adopted by affirmative vote of a majority of the number of directors fixed by these Bylaws, designate two or more directors (elected or appointed with such alternates appointed by designated directors as may be deemed desirable to constitute a committee or committees for any purpose); provided, that any such committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans and programs theretofore approved, authorized and adopted by the Board of Directors.

**ARTICLE FIVE  
OFFICERS, EMPLOYEES AND AGENTS: POWERS AND DUTIES**

Section 5.1. Elected Officers. The initial directors of the corporation shall be those persons named in the Articles of Incorporation as the initial directors. The elected officers of the Corporation shall be:

- (a) a President,
- (b) a Secretary,
- (c) a Treasurer, and
- (d) one or more Program Liaisons (and in the case of each such Program Liaison, with such descriptive title, if any, as the Board shall deem appropriate) and
- (e) two or more Directors (Each Director shall generally assist the Board Officers and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him/her by the President or the Board of Directors.)

Section 5.2. Election. So far as is practical, all elected officers shall be elected by the Board of Directors at each annual meeting there of.

Section 5.3. Appointive Officers. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall from time to time deem necessary, who shall exercise such powers and perform such duties, except voting privileges, as shall be set forth in these Bylaw or determined from time to time by the Board.

Section 5.4. Two or More Offices. Any two (2) or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

Section 5.5. Term of Office; Removal; Filling of Vacancies. Each elected officer of the Corporation shall hold office for three year or until his death, resignation, retirement, disqualification or removal from office. Any officer or agent may be removed at any time by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of the President, Secretary, and Treasurer becomes vacant for any reason, the vacancy shall be filled no later than six months after the vacancy of the office occurs, with an interim officer named within thirty days of the vacancy. If the office of any other officer not the President, Secretary, and Treasurer become vacant for any reason, the vacancy shall be filled at the discretion of the Board of Directors.

Section 5.6. President. The President shall be the chief executive officer of the Corporation and, subject to the provisions of these Bylaws, shall have general supervision of the activities and affairs of the Corporation and shall have general and active control thereof. The President shall preside when present at meetings of the Board of Directors. He/She shall have general authority to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal thereto; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require and to fix their compensation; to remove or suspend any employee or agent; and in general to exercise all the powers usually appertaining to the office of president of a corporation, except as otherwise provided by statute, the Articles of Incorporation or these Bylaws. In the absence or incapacitation of the President, his/her duties shall be performed and his/her powers may be exercised by the Vice Presidents in the order of their seniority, unless otherwise determined by the President or the Board of Directors.

Section 5.7. Deleted as of December 2014

Section 5.8 Secretary. The Secretary shall see that notice is given of all annual and special meetings of the Board of Directors and shall keep and attest true records of all proceedings at all meetings of the Board. He/she shall keep and account for all books, documents, papers and records of the Corporation, except those for which some other officer of agent is properly accountable. He/she shall generally perform all

duties usually appertaining to the office of secretary of a corporation. In the absence or incapacitation of the Secretary, his/her duties shall be performed and his/her powers may be exercised by the Assistant Secretaries in the order of their seniority, unless otherwise determined by the Secretary, the President or the Board of Directors.

Section 5.9 Treasurer. The Treasurer shall be the chief accounting and financial officer of the Corporation and shall have active control of and shall be responsible for all matters pertaining to the accounts and finances of the Corporation and shall direct the manner of certifying the same; shall supervise the manner of keeping all vouchers for payments by the Corporation and all other documents relating to such payments; shall receive, audit and consolidate all operating and financial statements of the Corporation and its various departments; shall have supervision of the books of accounts of the Corporation, their arrangements and classification; shall supervise the account and auditing practices of the Corporation and shall have charge of all matters relating to taxation. The Treasurer shall have the care and custody of all monies, funds and securities of the Corporation; shall deposit or cause to be deposited all such funds in and with such depositories as the Board of Directors shall from time to time direct or as shall be selected in accordance with procedures established by the Board; shall advise upon all terms of credit granted by the Corporation; shall be responsible for the collection of all its accounts and shall cause to be kept full and accurate accounts of all receipts disbursements and contributions of the Corporation. He/she shall have the power to endorse for deposit or collection or otherwise all checks, drafts, notes, bills of exchange or other commercial papers payable to the Corporation, and to give proper receipts or discharges for all payments to the Corporation. The Treasurer shall generally perform all duties usually appertaining to the office of treasurer of a corporation. In the absence or incapacitation of the Treasurer, his/her duties shall be performed and his/her powers may be exercised by the Assistant Treasurers in the order of seniority, unless otherwise determined by the Treasurer, the President or the Board of Directors.

Section 5.11. Assistant Treasurer. Each Assistant Treasurer shall generally assist the Treasurer and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him/her by the Treasurer, the President or Board of Directors.

Section 5.12 Additional Powers and Duties. In addition to the foregoing especially enumerated duties, services and powers, the several elected and appointed officers of the Corporation shall perform such other duties and services and exercise such further

powers as may be provided by statute, the Articles of Incorporation or these Bylaws, or as the Board of Directors may from time to time determine or as may be assigned to him/her by any competent superior officer.

Section 5.13 Program Liaisons. Each Program Liaison shall generally represent an Island Foundation program and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board of Directors.

## **ARTICLE SIX MISCELLANEOUS**

Section 6.1. Dividends Prohibited. No part of the net income of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its directors or officers. The Corporation may pay compensation in a reasonable amount to its officers for services rendered and may reimburse its directors as provided in Section 11 of Article Two hereto.

Section 6.2. Loans to Officers and Directors Prohibited. No loans shall be made by the Corporation to its officers and directors, and any directors voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof.

Section 6.3. Signature of Negotiable Instruments. All bills, notes, checks or other instruments for the payment of money shall be signed or countersigned by such officer, officers, agent or agents, and in such manner, as are permitted by these Bylaws and as from time to time may be prescribed by resolution (whether general or special) of the Board of Directors.

Section 6.4. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

**ARTICLE SEVEN**  
**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The corporation shall indemnify a director of the Corporation against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant of respondent because he is or was such a director, as the case may be, if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding, unless such indemnification is limited by the Articles of Incorporation. The Corporation shall also indemnify a director who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director against any judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding if it is determined, in the manner described below, that the person (i) conducted himself in good faith, (ii) reasonably believed, in the case of conduct in his official capacity as a director of the Corporation, that his conduct was in the Corporation's best interests, and in all other cases, that his conduct was at least not opposed to the Corporation's best interests and (iii) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful; provided that if the proceeding was brought by or on behalf of the Corporation, the indemnification shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding; and provided further that a director may not be indemnified for obligations resulting from a proceeding (i) in which such director is found liable on the basis that he improperly received personal benefit, whether or not the benefit resulted from an action taken in such director's official capacity, or (ii) in which the director is found liable to the Corporation. Determinations that a person has satisfied the prescribed conduct and belief standards must be made (i) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the proceeding, (ii) if such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors designated to act in the matter by a majority vote of all directors and consisting solely of two (2) or more directors who at the time of the vote are not named defendants or respondents in the proceeding, or (iii) by special legal counsel selected by the Board of Directors or a committee of the Board by vote as set forth in clause (i) or (ii) of this sentence, or, if the quorum described in clause (i) cannot be established, by a majority vote of all directors. A determination as to reasonableness of expenses shall be made in the same manner as the determination that the person has satisfied the prescribed conduct and belief standards, except that if the determination that the person has

satisfied the prescribed conduct and belief standards is made by special legal counsel, the determination as to reasonableness of expenses shall be made by the Board of Directors or a committee of the Board by vote as set forth in clause (i) or (ii) of the immediately preceding sentence or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors. The termination of a proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements for indemnification set forth above. Notwithstanding any other provision of these Bylaws, the Corporation shall pay or reimburse expenses incurred by a director in connection with his appearance as a witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding.

#### **ARTICLE EIGHT AMENDMENTS**

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted at any annual, special or regular meeting of the Board of Directors by the affirmative vote of a majority of the number of the Directors fixed by these Bylaws, provided notice of the proposed alteration, amendment or repeal or adoption be contained in the notice of such meeting.