

BYLAWS
OF
NAOMI'S VILLAGE, INC.

ARTICLE I
Offices

1.1 The registered office of the Corporation shall be located in the City of Dallas, County of Dallas, State of Texas.

1.2 The Corporation may also have offices at such other places, either within or without the State of Texas, as the Board of Directors of the Corporation (the "**Corporation Board**") may from time to time determine or as the business of the Corporation may require.

ARTICLE II
Purpose

The purposes for which the Corporation is formed, and objects to be carried on and promoted by it, are as follows:

2.1 The Corporation is organized and shall be operated for religious, charitable, and educational purposes, including to rescue Kenyan orphans from poverty and disease, to provide for them a safe, loving, nurturing home that is Christ centered in its values, counseling, teaching, and disciplinary approach; to raise these orphans to adulthood with maximum educational, leadership, and spiritual training in order that they become equipped to do similar charitable work for the poor in their home country. The Corporation will achieve these objectives through Naomi's Village Children's Home in Maai Mahiu, Kenya, where the orphans will live and be raised by both Kenyan and American caregivers. Criteria for admission to the home are as follows: total orphans, ages 0-10, minimal disabilities, HIV+ included. Health care will be supervised by a staff nurse and hospital services provided as needed at a local missionary hospital. The Kenyan Children Act, 2001, will be followed in administering all routine practices of the home. Future plans for the Corporation include a primary and secondary school to provide quality Christ-centered education to these orphans, a nondenominational church to unite the community and to provide the orphans a spiritual place to grow, a separate home for teenage children, and a guest house for missionary teams and visiting families. Each program that the Corporation will develop will always tie back to its main objective which is to rescue and make leaders of Kenyan orphans, all as determined by the Corporation Board, and which purposes shall in all events be construed to be for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code, as amended, or the corresponding provisions of any subsequent federal tax law (the "Code") and under the laws of the State of Texas; and, subject to such limitations and conditions as are or may be prescribed herein or by law, to exercise such other powers which now or hereafter may be conferred by law upon a corporation organized for the purposes herein above set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the above-stated purposes of the Corporation.

2.2 The Corporation is irrevocably dedicated to, and operated exclusively for, nonprofit purposes and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual.

ARTICLE III **Members**

3.1 The Corporation shall have no "members" as that term is used in Chapter 22 of the Texas Business Organizations Code, as it may hereafter be amended, restated or codified (the "TBOC").

3.2 Notwithstanding Section 3.1, the Corporation may use the word "members" to describe persons having such status and privileges as may be prescribed herein or as determined by the Corporation Board. Except as expressly provided herein, such members shall have no voting rights or other legal or equitable right in the Corporation.

ARTICLE IV **Directors**

4.1 The affairs of the Corporation shall be managed by the Corporation Board in accordance with these bylaws, the TBOC and the Corporation's Certificate of Formation, in each case as amended from time to time.

4.2

(a) The number of directors of the Corporation shall be five (5), or such other number as determined from time to time by resolution of the Corporation Board or as stated in the Corporation's Certificate of Formation; provided, in all events the Corporation shall have no fewer than four (4) directors.

(b) Each director shall hold office for a term of one (1) year, and shall serve until the end of his or her term of office and until his or her successor is elected and qualified or, if earlier, until his or her death, resignation, retirement, disqualification or removal from office. Directors need not be residents of the State of Texas.

(c) The number of directors may be increased or decreased from time to time by the Corporation Board, but no decrease shall have the effect of shortening the term of any incumbent director.

4.3 Until the first meeting for electing the directors occurs, the initial Corporation Board shall consist of the persons listed in the Certificate of Formation as constituting the initial Corporation Board. Directors shall be elected annually at the annual meeting of the Corporation Board by the then-current directors. Each director shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed.

4.4 A director may be removed by the Corporation Board, with or without cause, but such removal shall be without prejudice to the contractual rights, if any, of the director so removed.

4.5 A director may resign at any time by delivering written notice thereof to the President or Secretary. Any such resignation shall be effective, upon delivery unless such notice specifies a later date.

4.6

(a) Vacancies in the Corporation Board shall exist if any of the following events occurs: (1) a director dies, resigns or is removed from office; (2) the authorized number of directors is increased; or (3) a director's term of office ends in accordance with Section 4.2(b). The Corporation Board may declare vacant the office of a director in either of the following cases: (a) if he or she is adjudged incompetent by an order of court, or finally convicted of a felony; or (b) if within sixty (60) days after notice of his or her appointment, he or she does not accept the office either in writing or by attending a meeting of the Corporation Board.

(b) Any vacancy occurring in a director position on the Corporation Board shall be filled by majority vote of the other directors of the Corporation serving at the time.

(c) A director appointed to fill a vacancy that exists for any reason other than the end of his or her predecessor's term of office, or the creation of a new director position, shall be appointed to the unexpired term of his or her predecessor in office.

4.7 Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors, directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that has been prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or legal counsel. A director is not relying in good faith if he or she has knowledge, concerning a matter in question that renders reliance unwarranted.

Meetings of the Board of Directors

4.8 Meetings of the Corporation Board, regular or special, may be held either within or outside of the State of Texas. Any regular or special meeting is valid, wherever held, if held on written consent signed by a sufficient number of the members of the Corporation Board as would be necessary to hold that meeting if all of the members of the Corporation Board were present and voted, given either before or after the meeting and filed with the secretary of the Corporation.

4.9 A regular annual meeting of the Corporation Board shall be held on the last day of January that is not a weekend day or holiday in each year, at such place as shall be fixed by notice from the chairman of the board, president or secretary, and no notice of such meeting shall

be necessary to the newly appointed directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure to fix the time and place of such regular annual meeting of the newly elected Corporation Board, or in the event such meeting is not held at the time and place so fixed, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Corporation Board, or as shall be specified in a written waiver signed by all of the directors.

4.10 Except as otherwise provided in Section 4.6, regular meetings of the Corporation Board may be held at such time and at such place as specified in a notice given as hereinafter provided for special meetings of the Corporation Board, or as shall be specified in a written waiver signed by all of the directors.

4.11 Special meetings of the Corporation Board may be called by the Chairman of the Board or President, and shall be called by the Secretary on the written request of any one of the Chairman of the Board, the President or at least two (2) directors. Written notice of special meetings of the Corporation Board shall be given personally, or sent by mail or by other form of written communication (including E-mail or telecopies), to each director at least seven (7) days before the date of the meetings. Except as set forth in Article VIII hereof; neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Corporation Board need be specified in the notice or waiver of notice of such meeting.

4.12 A majority of the authorized number of directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present, in person or by proxy, at a meeting duly held at which a quorum is present shall be the act of the Corporation Board, unless a greater number is required by law or the Certificate of Formation or as otherwise set forth in these bylaws. Each director present at a meeting will be deemed to have assented to any action taken at the meeting, unless his or her dissent to the action is entered in the minutes of the meeting, or unless the director shall file his or her written dissent thereto with the secretary of the meeting or shall forward such dissent by certified mail to the secretary of the Corporation promptly after such meeting. If a quorum shall not be present at any meeting of the Corporation Board, the directors then present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such time and place at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified and called.

4.13 At all meetings of directors, a director may vote by proxy executed in writing by the director or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary before or at the time of the meeting. Any such proxy shall expire three months after the date of execution and shall be revocable unless otherwise provided in the proxy or made irrevocable by law.

4.14 Any action required or permitted to be taken at a meeting of the Corporation Board or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by a sufficient number of the members of the Corporation Board or the committee, as the case may be, as would be necessary to take that action at a meeting at which all of the members of the Corporation Board or such committee, as the case may be, were present and voted. Prompt notice of the taking of any action by directors or a committee without

a meeting by less than unanimous written consent shall be given to all directors or committee members who did not consent in writing to the action.

4.15 Subject to the provisions required or permitted by the TBOC and these bylaws for notice of meetings, members of the Corporation Board or of any committee designated by the Corporation Board may participate in a meeting by means of remote communications equipment if: (a) each person entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) such system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. Participation in a meeting pursuant to this Section 4.15 shall constitute presence in person at such meeting, except where a person participates in 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.

4.16 An e-mail, telegram, telex, cablegram or similar transmission by the director or his duly authorized attorney in fact, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the director or his duly authorized attorney in fact shall be treated as an execution in writing for purposes of these bylaws if, but only if the transmission is clearly intended to be treated as an execution in writing.

Committees of Directors

4.17 The Corporation Board, by resolution adopted by a majority of the entire board, may designate from among its members one or more committees, each of which, to the extent provided in such resolution, shall have and may exercise all of the authority of the Corporation Board, except that no such committee shall have the authority of the Corporation Board in reference to: amending the Certificate of Formation; approving a plan of merger or a plan of consolidation with another corporation; authorizing the sale, lease or exchange of all or substantially all of the property and assets of the Corporation otherwise than in the usual and regular course of its business; authorizing a voluntary dissolution of the Corporation or a revocation thereof; adopting a plan for the distribution of the assets of the Corporation; amending, altering or repealing the bylaws of the Corporation or adopting new bylaws of the Corporation; filling vacancies in the Corporation Board or any such committee; filling any directorship to be filled by reason of an increase in the number of directors; electing or removing officers of the Corporation or members of any such committee; fixing the compensation of any member of such committee; altering or repealing any resolution of the Corporation Board that, by its terms, provides that it shall not be so amendable or repealable; or taking any action outside the scope of authority delegated to it by the Corporation Board. Vacancies in the membership of any such committee shall be filled by the Corporation Board at a regular or special meeting thereof. Any such committee shall keep regular minutes of its proceedings and report the same to the Corporation Board when required. The designation of a committee of the Corporation Board and the delegation thereto of authority shall not operate to relieve the Corporation Board, or any member thereof, of any responsibility imposed by law. Each director shall be deemed to have assented to any action of a committee, unless he or she shall, within seven (7) days after receiving actual or constructive notice of such action, deliver his or her written dissent thereto to the Secretary of the Corporation. Members of any such committee shall serve at the pleasure of the Corporation Board.

Compensation of Directors

4.18 The directors may be paid their expenses, if any, of attendance at each meeting of the Corporation Board, in amounts approved by the Corporation Board and that satisfy the guidelines, if any, for such expenses as promulgated by the Corporation Board from time to time. Directors as such shall not receive any compensation for their services, but nothing herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be paid their expenses, if any, of attendance at committee meetings.

Chairman of the Board

4.19 The Corporation Board may, in its discretion, by the affirmative vote of a majority of the entire Corporation Board, choose a Chairman of the Corporation Board (the "**Chairman of the Board**") who shall preside at meetings of the directors and shall be an ex officio member of all standing committees. The Chairman of the Board shall have such other powers and shall perform such other duties as shall be designated by the Corporation Board. The Chairman of the Board shall be a member of the Corporation Board. The Chairman of the Board shall serve until his or her successor is chosen and qualified, but may be removed at any time by the affirmative vote of a majority of the entire Corporation Board.

Restrictions on Disbursements

4.20 The Corporation Board shall not approve a disbursement of any funds that is not in furtherance of and in accordance with the purposes of the Corporation as described in the Corporation's Certificate of Formation and these bylaws.

Investment Policy

4.21 The Corporation Board, in investing the assets of the Corporation, shall exercise the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income from as well as the probable increase in value and safety of their capital. In determining whether an investment decision is prudent, such determination shall be made taking into consideration the investment of all of the assets of the Corporation over which the Corporation Board exercises management and control, rather than a consideration as to the prudence of the single investment.

4.22 Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Corporation's behalf; and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The directors have no liability for actions taken or omitted by the advisor if the Corporation Board acts in good faith and with ordinary care in selecting the advisor. The Corporation Board may remove or replace the advisor at any time and without any cause whatsoever.

Standards on Fund-Raising

4.23 Notwithstanding anything in these bylaws to the contrary, every director and each of their advisors (hereafter called a "**Fundraiser**") shall at all times comply with each of the following standards on fund-raising for the Corporation:

- (i) All representations of fact, description of the financial condition of the Corporation, or narrative about events must be current, complete and accurate. References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact or use of misleading photographs or any other communication which would tend to create a false impression or misunderstanding.
- (ii) Fund-raising appeals must not create unrealistic donor expectations of what a donor's gift will actually accomplish within the limits of the Corporation's purpose.
- (iii) All statements made by the Fundraiser in its fundraising appeals about the use of the gift must be honored by the Corporation. The donor's intent is related both to what was communicated in the appeal and to any donor instructions accompanying the gift.
- (iv) A Fundraiser raising or receiving funds for programs that are not part of the Corporation's present or prospective purpose, but are proper in accordance with its exempt purpose, must either treat them as restricted funds and channel them through an organization that can carry out the donor's intent or return the funds to the donor.
- (v) When dealing with persons regarding commitments on such person's major estate assets, the Fundraiser should encourage such person to use the services of such person's own attorneys, accountants, or other professional advisors.
- (vi) Property or gifts-in-kind received by a person should be acknowledged describing the property or gift accurately *without* a statement of the gift's market value. It is the responsibility of the donor to determine the fair market value of the property for tax purposes. The person may be required to provide additional information for gifts of motor vehicles, boats, and airplanes.

ARTICLE V **Notices and Requests**

5.1 Notices and requests to directors or officers shall be in writing and delivered personally or by facsimile or electronic transmission, or mailed to the directors or officers at their addresses appearing on the books of the Corporation. Notice or request by mail shall be deemed to be given and received when deposited in the United States mail, addressed to the addressee at his or her address as it appears on the records of the Corporation, with adequate postage thereon

prepaid. Notice or request by personal delivery shall be deemed to be given and received at the time when the same shall be actually received by the person to whom it was addressed. Notice by facsimile or electronic message shall be deemed delivered when same shall be transmitted to the recipient's proper number or address provided by recipient and confirmation of successful transmission is received.

5.2 Whenever any notice is required to be given to any director under the provisions of any statute or of the Certificate of Formation 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 equivalent to the giving of such notice.

5.3 Participation in or attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director participates in or 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.

ARTICLE VI

Officers

6.1 The officers of the Corporation shall consist of a President and a Secretary, and may also consist of one or more Vice-Presidents, Treasurers and such other officers as may be elected or appointed as provided in Section 6.2. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.2 At the annual meeting of the directors, the Corporation Board shall choose by majority vote, a President, Secretary and such one or more Vice-Presidents, Treasurers and other officers as it deems appropriate, none of whom need be a member of the Corporation Board.

6.3 Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Corporation Board to hold office for such period, have such authority and perform such duties as are provided by the bylaws or as the Corporation Board may determine.

6.4 The salaries (if any) of all officers and agents of the Corporation shall be fixed from time to time by the Corporation Board.

6.5 Each officer of the Corporation shall hold office until the end of his or her term of office, or, if earlier, until he or she shall resign or shall be removed from office or otherwise disqualified to serve. Each officer shall hold office for one (1) year and until his or her successor is elected and qualified. Any officer or agent may be removed by the Corporation Board, with or without cause, whenever in its judgment the best interest 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. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Corporation Board.

The President

6.6 The President shall be the chief executive officer of the Corporation, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Corporation Board are carried into effect. In the absence of the Chairman of the Board or in the event the Corporation Board shall not have designated a Chairman of the Board, the President shall preside at meetings of the Corporation Board.

6.7 The President shall execute bonds, mortgages and other contracts, except where the execution thereof shall be expressly delegated by the Corporation Board to some other officer or agent of the Corporation.

The Vice Presidents

6.8 The Vice-Presidents, in the order of their seniority, or otherwise, as determined by the Corporation Board, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. They shall perform such other duties and have such other powers as the Corporation Board shall prescribe.

The Secretary and Assistant Secretaries

6.9 The Secretary shall attend all meetings of the Corporation Board and record all the proceedings of the meetings of the Corporation Board in a book to be kept for that purpose and shall perform like duties for the standing committees, when required. The Secretary shall give, or cause to be given, notice of special meetings of the Corporation Board, and shall perform such other duties as may be prescribed by the Corporation Board or President, under whose supervision the Secretary shall serve.

6.10 The Assistant Secretaries, in the order of their seniority, or if there be none, the Treasurer, acting as Assistant Secretary, or otherwise, as determined by the Corporation Board, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Corporation Board may from time to time prescribe.

The Treasurer and Assistant Treasurers

6.11 The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, maintain the assets of the Corporation in accordance with the investment policy of the Corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Corporation Board in accordance with the investment policy of the Corporation.

6.12 The Treasurer shall disburse the funds of the Corporation as may be ordered by the Corporation Board, in accordance with the stated purposes of the Corporation, taking proper vouchers for such disbursements, and shall render to the President and the Corporation Board at its regular meetings or when the Corporation Board so requires an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The treasurer shall cause to be prepared required tax returns and related forms and filings.

6.13 If required by the Corporation Board, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Corporation Board for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or under his or her control belonging to the Corporation.

6.14 The Assistant Treasurers, in the order of their seniority, or otherwise, as determined by the Corporation Board, or the Secretary acting as Assistant Treasurer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the Corporation Board may from time to time prescribe.

ARTICLE VII

General Provisions

7.1 The Corporation Board may authorize and the Corporation may make distributions, subject to any restrictions in these bylaws or the Certificate of Formation and limitations set forth in the TBOC. Except as otherwise provided in Section 4.18, the Corporation Board shall make no distribution that inures to the benefit of any member of the Corporation Board or any member of any such director's family. For purposes of this Section 7.1, a director's family shall include his or her spouse, ancestors, children, grandchildren, great-grandchildren and spouses of the director's children, grandchildren or great-grandchildren.

7.2 The Corporation may not make any loan to a director or officer of the Corporation.

7.3 The Corporation Board may make gifts and give charitable contributions in accordance with the stated purposes of the Corporation as set forth in the Certificate of Formation and that are not prohibited by statute, these bylaws, the Certificate of Formation and any requirements for maintaining the Corporation's federal and state tax status.

7.4 The Corporation 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, including, without limitation, contracts for administrative and other services in furtherance of the exempt purposes of the Corporation.

7.5 All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by either the President or Vice-President of the Corporation. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness payable to the Corporation shall be endorsed by such officer or officers or other person or persons as the Corporation Board may from time to time designate.

7.6 All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Corporation Board may select.

7.7 The fiscal year of the Corporation shall be fixed by resolution of the Corporation Board.

7.8 The corporate seal, if any, shall have inscribed thereon the name of the Corporation, and be in a form approved by the Corporation Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.9 The Corporation shall keep correct and complete books and records of account and shall also keep at the registered or principal office of the Corporation a record giving the names and addresses of the directors entitled to vote. All books and records of the Corporation may be inspected by any director, or his or her agent, accountant or attorney (at such person's own expense), for any proper purpose at any reasonable time.

ARTICLE VIII **Amendment of Bylaws**

These bylaws may be amended or repealed, or new bylaws adopted, only by the affirmative vote of two-thirds (2/3) of all of the members of the entire Corporation Board of the Corporation at the time in question (except with respect to provisions for which a greater affirmative vote is required by the Corporation's Certificate of Formation); provided, no amendment may be made to these bylaws which would alter the Corporation's purposes as stated in the Certificate of Formation, as amended from time to time, or that would cause any benefit, other than reasonable compensation as determined under Section 4.18 or Section 6.4, to inure to any person who has a personal or private interest in the activities of the Corporation. Any proposed amendment to these bylaws must be included in the notice of the meeting at which such amendment is to be considered.

ARTICLE IX **Corporate Indemnification**

9.1 As utilized in this Article, the following terms shall have the meanings indicated:

(a) "**Corporation**" includes any domestic or foreign predecessor entity of the Corporation in a merger, conversion, consolidation, or other transaction in which the liabilities of the predecessor are transferred or allocated to the Corporation by operation of law and any other transaction in which the Corporation assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

(b) "**Director**" or "**director**" means any person who is or was a director of the Corporation and any person who, while a director of the Corporation, is or was serving at the request of the Corporation as a partner, director, officer, venturer, proprietor, trustee, employee, administrator, agent or similar functionary at another foreign or domestic corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. A person represents the Corporation at an employee benefit plan if the

performance of the person's official duties to the Corporation also imposes duties on or otherwise involves service by the person to the plan, participants in, or beneficiaries of the plan.

(c) **"Expenses"** or **"expenses"** include court costs and reasonable attorney's fees.

(d) **"Official Capacity"** or **"official capacity"** means (i) when used with respect to a director, the office of director in the Corporation or the exercise of authority by or on behalf of the director under the TBOC or the governing documents of the Corporation, and (ii) when used with respect to a person other than a director, the elective or appointive office in the Corporation held by the officer, or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation; however, notwithstanding any contrary provision of this Section 9.1(d), "official capacity" as defined in both (i) and (ii) above does not include service for any other foreign or domestic corporation or any partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(e) **"Proceeding"** or **"proceeding"** means any threatened, pending, or completed action, suit or other proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

9.2 The Corporation shall indemnify a director or officer of the Corporation in connection with a proceeding in which he or she is a named defendant or respondent because he or she is or was a director or officer if such person has been wholly successful, on the merits or otherwise, in the defense of the proceeding:

9.3 The Corporation shall indemnify a person 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 only if it is determined in accordance with Section 9.7 that, with respect to amounts described in Section 9.6(a), the amounts actually incurred by the person in connection with the proceeding (other than a judgment) are reasonable, and that the person:

(a) conducted himself or herself in good faith;

(b) reasonably believed (i) in the case of conduct in his or her official capacity as a director of the Corporation, that his or her conduct was in the Corporation's best interests, and (ii) in all other cases, that his or her conduct was at least not opposed to the Corporation's best interests; and

(c) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

This bylaw provision shall be deemed to be the requisite determination that indemnification should be paid to persons who meet the above standards contemplated in TBOC Section 8.103(c).

9.4 Except as may otherwise be permitted in Section 9.6(b), a director shall not be indemnified by the Corporation as provided in Section 9.3 for obligations resulting from a

proceeding (a) in which the director is found liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in the person's official capacity, or (b) in which the person is found liable to the Corporation.

9.5 Action taken or omitted by a director with respect to an employee benefit plan in the performance of the person's duties for a purpose reasonably believed by the person to be in the interest of the participants and beneficiaries of the plan is for a purpose that is not opposed to the best interests of the Corporation. Action taken or omitted by a director serving the Corporation for another enterprise described in Section 9.1(b) for a purpose reasonably believed by the director to be in the interest of the other enterprise or its owners or members is for a purpose that is not opposed to the best interests of the Corporation. 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 set forth in Section 9.3. A person shall be deemed to have been found liable in respect of any claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by law.

9.6

(a) Subject to Section 9.6(b), a person shall be indemnified by the Corporation as provided in Section 9.3 against judgments (including arbitration awards), penalties, settlements, fines, and excise or similar taxes (except as expressly excluded in Section 9.16), including an excise tax assessed against the person with respect to an employee benefit plan, and reasonable expenses actually incurred by the person in connection with the proceeding.

(b) Notwithstanding any contrary provision of Section 9.6(a), if the person to be indemnified with respect to a proceeding is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification described in Sections 9.3 and 9.6(a):

(i) is limited to reasonable expenses actually incurred by the person in connection with the proceeding;

(ii) shall not include a judgment, a penalty, a fine, and an excise or similar tax, including an excise tax assessed against the person with respect to an employee benefit plan; and

(iii) may not be made in relation to a proceeding in which the person has been found liable for: (A) willful or intentional misconduct in the performance of the person's duty to the Corporation; (B) breach of the person's duty of loyalty owed to the Corporation; or (C) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Corporation.

9.7 Determination of the permissibility of indemnification under Section 9.3, and the reasonableness of amounts (other than judgments) actually incurred, must be made (a) by a majority vote of directors who at the time of the vote are disinterested and independent, regardless of whether the directors who are disinterested and independent constitute a quorum; (b) by a majority vote of a committee of the Corporation Board, designated to act in the matter

by a majority vote of directors who at the time of the vote are disinterested and independent, regardless of whether the directors who are disinterested and independent constitute a quorum, and consisting solely of one or more directors who at the time of the vote are disinterested and independent; or (c) by special legal counsel selected by the Corporation Board or a committee of the Corporation Board by vote as set forth in clause (a) or (b) of this Section 9.7, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

9.8 Notwithstanding any contrary provision of Section 9.7, if the determination that indemnification is permissible is made by special legal counsel described in Section 9.7(c), determination as to reasonableness of expenses must be made by special legal counsel described in Section 9.7(c).

9.9 If, upon application of a director or officer of the Corporation, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he or she has met the requirements set forth in Section 9.3 or has been found liable in the circumstances described in Section 9.4, then in addition to any indemnification otherwise provided in these bylaws, the Corporation shall indemnify the director or officer to such further extent as the court shall determine that the person is fairly and reasonably entitled in view of all the relevant circumstances, including an award of the expenses incurred in securing the indemnification; but if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, without regard to whether the benefit resulted from an action taken in the person's official capacity, the indemnification shall in all cases be limited to reasonable amounts described in Section 9.6(a).

9.10 Reasonable expenses incurred by a currently serving director who was, is or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding and without the determinations specified in Section 9.3 or Section 9.7, after the Corporation receives:

(a) a written affirmation by the director of the director's good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article; and

(b) a written undertaking by or on behalf of the director to repay the amount paid or reimbursed if it is ultimately determined that the director has not met that standard or it is ultimately determined that indemnification of the director against expenses incurred by him or her in connection with that proceeding is prohibited by Section 9.6(b).

The written undertaking required by Section 9.10(b) must be an unlimited general obligation of the director, and may but need not be secured. It may be accepted by the Corporation without regard to the director's ability to make repayment.

9.11 Reasonable expenses incurred by a former director, or a current or former officer, employee or agent who was, is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding on terms the Corporation considers appropriate.

9.12 Notwithstanding, any other provision of this Article, the Corporation shall pay or reimburse reasonable expenses incurred by a director in connection with his or her appearance as a witness or other participation in a proceeding relating to the Corporation at a time when the director is not a named defendant or respondent in the proceeding.

9.13 In addition to the required indemnification of officers provided in Sections 9.2 and 9.9, the Corporation may indemnify, advance and reimburse expenses to an officer, employee or agent of the Corporation to the same extent and in the same manner that it may indemnify, advance and reimburse expenses to directors under this Article, and such a person may seek such indemnification, advancement or reimbursement to the same extent as could a director of the Corporation.

9.14 The Corporation may indemnify and advance expenses to an officer, employee or agent and who is not a director to such further extent, consistent with law, as may be provided by general or specific action of the Corporation Board, contract or as permitted or required by common law.

9.15

(a) The Corporation may purchase or procure, or establish and maintain insurance or another arrangement to indemnify or hold harmless any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, manager, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify the person against that liability under other provisions of this Article. This provision shall be deemed to be the requisite approval for such insurance contemplated in TBOC Section 8.151(c).

(b) Without limiting the power of the Corporation to purchase or procure, or establish and maintain any kind of other arrangement, the Corporation may, for the benefit of persons described in Section 9.15(a): (i) create a trust fund; (ii) establish any form of self-insurance, including a contract to indemnify; (iii) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation; or (iv) establish a letter of credit, guaranty or surety arrangement.

(c) The insurance may be purchased or procured or established and maintained with any insurer, or another arrangement may be procured, maintained or established within the Corporation or with any insurer or other person deemed appropriate by the Corporation Board, regardless of whether all or part of the stock, securities or other ownership interest in the insurer or other person is owned in whole or part by the Corporation. In the absence of actual fraud, the judgment of the Corporation Board as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the directors approving the insurance or arrangement to liability, on any ground,

regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

9.16 The coverage of any liability insurance purchased by the Corporation pursuant to Section 9.15 may include coverage for the indemnifiable expenses described elsewhere in this Article IX, as well as judgments, fines, settlements, penalties, taxes and expenses of correction, including, if the Corporation is ever considered a private foundation, such expenses as may be related to taxes, penalties and expenses of correction imposed under Chapter 42 of the Code. However, if the Corporation is ever considered a private foundation, and coverage for judgments, fines, settlements, penalties, taxes and expenses of correction is included in any liability insurance so purchased by the Corporation, the Corporation shall request the insurance carrier from whom such insurance is purchased to furnish the Corporation with the portion of any insurance premium payable that is attributable to such coverage of a foundation manager's expenses for (a) any penalty, tax (including a tax imposed by chapter 42 of the Code), or expense of correction, (b) any expense not reasonably incurred by such a manager in connection with a civil judicial or civil administrative proceeding arising out of such manager's performance of services on behalf of the Corporation, or (c) any expense resulting from an act or failure to act with respect to which such manager has acted willfully and without reasonable cause. That portion of such premium as is so designated by the insurance carrier shall be allocated pro rata among the directors, officers and employees of the Corporation, as well as any other party actually included within such coverage pursuant to the provisions of Section 9.15, and included, where applicable, in the compensation paid to each such director, officer, employee or other party by the Corporation, all as described in Treas. Reg. § 53.4941(d)-2(0).

9.17 No purchase of insurance, indemnification or other action contemplated or allowed by this Article shall be construed to allow or permit any such purchase, indemnification or action, except as such is within any limitations placed on the Corporation as a tax exempt organization under the provisions of the Code, the TBOC or other laws of the State of Texas, or any other applicable rule or regulation.

9.18 If the Corporation ever has members, the Corporation Board shall report to the members in writing regarding any indemnification or advance of expenses made pursuant to this Article IX. Any such report must be made with or before the notice or waiver of notice of the next meeting of the members and before the next submission to the members of any consent to action without meeting, provided in all events such report must be made not later than the first anniversary date of the indemnification or advance.

ARTICLE X

Conflicts of Interest

10.1 The purpose of this conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

(a) Interested Person. Any director, principal officer, or member of a committee with Corporation Board delegated powers, who has a direct or indirect financial interest, as defined below, in a contemplated or completed transaction is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

(ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

(iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 10.2(a), a person who has a financial interest may have a conflict of interest only if the appropriate Corporation Board or committee decides that a conflict of interest exists.

10.2 Procedures

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Corporation Board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Corporation Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members, as the case may be, shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) An interested person may make a presentation at the Corporation Board or committee meeting, but after the presentation, that person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chairperson of the Corporation Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Corporation Board or committee shall determine whether the Corporation can obtain with reasonable efforts a

more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Corporation Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

(i) If the Corporation Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Corporation Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

10.3 Records of Proceedings. The minutes of the Corporation Board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Corporation Board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

10.4 Compensation.

(a) A voting member of the Corporation Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the Corporation Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

10.5 Annual Statements. Each director, principal officer and member of a committee with Corporation Board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and

(d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

10.6 Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining;

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in private inurement, impermissible private benefit or in an excess benefit transaction.

10.7 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 10.6, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Corporation Board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that (i) the undersigned is the duly elected and qualified Secretary of NAOMI'S VILLAGE, INC., a Texas corporation (the "**Corporation**"), and (ii) the foregoing is a true and correct copy of the bylaws of the Corporation adopted by the Board of Directors on the 28th day of September, 2021



Bill McMillan, Executive Director