

BYLAWS  
OF  
B.U.D.S. (BETTER UNDERSTANDING OF DOWN SYNDROME)

These Bylaws (referred to as the “Bylaws”) govern the affairs of B.U.D.S., (Better Understanding of Down Syndrome), a nonprofit corporation (referred to as the “Corporation” or “B.U.D.S.”) duly organized under the Texas Non-Profit Corporation Act (referred to as the “Act”).

ARTICLE 1  
PURPOSE

1.01. The purpose of B.U.D.S. is to provide information, education, and support to parents and caretakers with children having Down syndrome. B.U.D.S. further seeks to promote the welfare of individuals with Down syndrome, to encourage research related to Down syndrome, and to assist individuals with Down syndrome and their family members.

ARTICLE 2  
REGISTERED AGENT

2.01. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation’s principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 3  
MEMBERS

3.01. Membership is open to any individual who requests membership and pays the required annual dues.

3.02. Membership is by calendar year and must be renewed annually to maintain voting rights.

Membership Fees and Dues

3.03. The Board of Directors may set and change the amount of the annual dues, if any, payable to B.U.D.S. by members. Membership dues are non-refundable and are not prorated if paid after the first of the covered year.

Voting Rights

3.04. Each individual member shall be entitled to one vote on each matter submitted to a vote of the members.

## Resignation

3.05. Any member may resign from membership by submitting a written resignation to any Director.

## ARTICLE 4 MEETINGS OF MEMBERS

### Annual Meeting

4.01. B.U.D.S. shall hold an annual meeting of the members in January or February of each year at a time that the Board of Director designates. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. The recently elected Board of Directors shall begin its term in March following the annual members meeting.

### Special Meetings

4.02. Special meetings of the members may be called by the president, the Board of Directors, or no less than one-tenth of the eligible voting members.

### Place of Meeting

4.03. The Board of Directors may designate any place, within the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

### Notice of Meeting

4.04. Notice of any meeting of members shall be delivered to each member, in the newsletter or in a special mailing, before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the President or Secretary of the Corporation, or the Director calling the meeting.

### Quorum

4.05. Five members shall constitute a quorum at any meeting of members. No action may be approved without a quorum and without the vote of at least a majority of the number of members present.

ARTICLE 5  
BOARD OF DIRECTORS

Management of the Corporation

5.01. The affairs of the Corporation shall be managed by the Board of Directors.

Number, Qualification, and Tenure of Directors

5.02. At any meeting at which the election of a Director occurs, a member or a Director may nominate a person, with the permission of the nominee. In addition to nominations made at meetings, a nominating committee, consisting of three Directors, shall consider possible nominees and make nominations for each election Directors.

Election of Directors

5.04. A person who meets any qualification requirement to be a Director and who has been duly nominated may be elected a Director. Directors shall be elected by the vote of the membership of B.U.D.S. Directors shall be elected at the annual meeting of members.

Vacancies and Increase in Number of Directors

5.05. Any vacancy occurring in the Board of Directors, and any Director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining Directors, even if it is less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

Annual Meeting of Directors

5.06. The annual meeting of the Board of Directors may be held without notice to the general membership. The annual meeting of the Board of Directors shall be held as soon as practicable following the annual membership meeting at which the Board of Directors is elected. At the annual meeting of the Board of Directors, the Board of Directors shall elect officers from among the directors and transact such other business as shall come before the meeting.

Regular Meeting of the Board of Directors

5.07. The Board of Directors shall meet regularly. No notice of regular meetings of the Board is required other than a notice of the date of the next meeting on the written minutes of the previous meeting.

### Special Meetings of the Board of Directors

5.08. Special meetings of the Board of Directors may be called by or at the request of the President or any three Directors. The person or persons calling a special meeting shall notify the Secretary of the information required to be included in the notice of the meeting. The Secretary shall give notice to the Directors as required in the Bylaws.

### Notice of Directors' Meetings

5.09. Written, printed, or electronically mailed notice of any special meeting of the Board of Directors shall be delivered to each director not less than seven days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose of purposes for which the meeting is called.

### Quorum and Voting of Directors

5.10. A majority of the number of Directors then in office shall constitute a quorum for the transaction of financial business at any meeting of the Board of Directors. The Directors present at a meeting at which a quorum is not present may continue to transact business. However, any financial action over fifty dollars (\$50.00) must subsequently be approved by at least a majority of the directors.

### Duties of Directors

5.11. Directors shall discharge their duties in good faith, with ordinary care, and in the manner they reasonably believe to be in the best interest of B.U.D.S. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. A Director is not relying in good faith if the Director has knowledge concerning a matter in question that renders reliance unwarranted. Directors are not deemed to have the duties of trustees of a trust with respect to the corporation or with respect to any property held or administered by the corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

### Duty of Directors to Avoid Improper Distributions

5.12. Directors who vote for or assent to improper distributions are jointly and severally liable to the corporation for the value of improperly distributed assets, to the extent that debts, obligations, and liabilities of the corporation are not thereafter paid and discharged. Any distribution made when the corporation is insolvent, other than payment of corporate debts, or any distribution that would render the corporation insolvent is an improper debt. A Director is not liable if, in voting for or assenting to a distribution, the director relies in good faith and with ordinary care on information, including financial statements and other financial data prepared or presented by a Director of the corporation. Furthermore, Directors are protected from liability if, in the exercise of ordinary care, they acted in good faith and in reliance on the written opinion of another Director.

### Delegation of Duties by Directors

5.13. Directors are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the corporation; 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 Board of Directors acts in good faith and with ordinary care in selecting the advisor. The Board of Directors may remove or replace the advisor, with or without cause.

### Compensations of Directors

5.14. Directors shall not receive salaries for their services.

### Removal of Directors

5.15. The Board of Directors may vote to remove a Director at any time. A meeting to consider the removal of a Director may be called and noticed following the procedures provided in the bylaws. The notice of the meeting shall state that the issue of possible removal of the Director will be on the agenda. The Director shall have the right to present evidence at the meeting as to why he or she should not be removed. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the Director. A director may be removed by the affirmative vote of fifty percent of the Board of Directors.

### President

5.16. The President shall supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and of the Board of Directors. The President may execute, or make specific assignments to others to execute, any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President.

### Vice-President

5.17. When the President is absent, is unable to act, or refuses to act, a Vice President shall perform the duties of the President. When a Vice President acts in place of the President, the vice president shall have all the powers of and be subject to all the restrictions upon the President. A Vice President shall perform other duties as assigned by the President or Board of Directors.

## Treasurer

### 5.18. The Treasurer shall:

- a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- c) Deposit all moneys in the name of the corporation in bank, trust companies, or other depositories as provided in the bylaws or as directed by the Board of Directors or President.
- d) Write checks and disburse funds to discharge obligations of the Corporation.
- e) Maintain the financial books and records of the Corporation.
- f) Prepare financial reports at least annually, including a fiscal yearend report to be presented at the annual meeting of the members.
- g) Prepare any and all state and/or federal tax filings as required by law within a timely manner.
- h) Perform other duties as assigned by the president or by the Board of Directors.
- i) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- j) Perform all of the duties incident to the office of Treasurer.

## Secretary

### 5.19. The Secretary shall:

- a) Give all notices as provided in the bylaws or as required by law.
- b) Take minutes of the meetings of the Board of directors and keep the minutes as part of the corporate records.
- c) Maintain custody of the corporate records.
- d) Keep a register of the mailing address of each Director of the Corporation.
- e) Perform duties as assigned by the President or by the Board of Directors.
- f) Perform all duties incident to the office of Secretary.

ARTICLE 6  
TRANSACTIONS OF THE CORPORATION

Contracts

6.01. The Board of Directors may authorize any Director or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Deposits

6.02. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

Gifts

6.03. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Corporation's federal and state tax status.

Prohibited Acts

6.04. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors, no Director of the Corporation shall:

- a) Do any act in violation of the bylaws or a binding obligation of the Corporation.
- b) Do any act with the intention of harming the corporation or any of its operation.
- c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- d) Receive an improper personal benefit for the operation of the Corporation.
- e) Use the assets of the Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- g) Use the name of the Corporation, or any substantially similar name, or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.

ARTICLE 7  
BOOKS AND RECORDS

Required Books and Records

7.01 The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- a) A copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c) Minutes of the proceeding of the Board of Directors.
- d) A list of the names and addresses of the Director, and committee members of the Corporation.
- e) A financial statement showing the assets, liabilities, and net worth of the corporation at the end of the three most recent fiscal years.
- f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- g) All ruling, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- h) The Corporation's federal, state, and local information or income tax returns for each of the Corporation's three most recent tax years.

Inspection and Copying

7.02. Any Director of the Corporation may inspect copies of all books and records of the Corporation required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and record may do so at a reasonable time no later than twenty working days after the Corporation's receipt of a proper written request.



ARTICLE 8  
FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December each year.

ARTICLE 9  
INDEMNIFICATION

When Indemnification is Required, Permitted, and Prohibited

9.01. The Corporation shall indemnify a Director of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the personals may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

Procedures Relating to Indemnification Payments

9.02. Before the corporation may pay any indemnification expenses, including attorney's fees, the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable. The Corporation may make these determinations and decisions 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.

ARTICLE 10  
SPECIAL PROCEDURES CONCERNING MEETINGS

10.01. The Board of Directors may hold a meeting by telephone conference call as long as all attendees are able to hear one another during the call.

Decisions by Email

10.02 At the discretion of the President, any decision required or permitted to be made at a meeting of the Board of Directors may be made without a meeting through a vote by email. Such action may be taken by email votes by the number of Directors whose votes would be necessary to take action at a meeting at which all Directors were present and voted. Such action may be taken only when the President decides that circumstances exist in which the harm of waiting until the next regular Board meeting for a vote outweighs the informality of an email discussion and vote.

## ARTICLE 11 MISCELLANEOUS PROVISIONS

### Legal Authorities Governing Construction of Bylaws

12.01. The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

### Legal Construction

12.02. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been include in the bylaws.

### Headings

12.03. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

### Gender

12.04. Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

Parties Bound

12.07. The bylaws shall be binding upon and inure to the benefit of the members, directors, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representative, successors, and assigns except as otherwise provided in the bylaws.

As amended by an affirmative vote of the Board of Directors on \_\_\_\_\_.

\_\_\_\_\_

Director

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Director

\_\_\_\_\_

Director