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BYLAWS

OF

SOUTHWEST TEXAS JUNIOR COLLEGE FOUNDATION, INC.

1. OFFICES.

1.01. Principal Office.

The principal office of Southwest Texas Junior College Foundation, Inc. (the "Corporation") in the State of Texas is 1930 Garner Field Road, Uvalde, Texas.

1.02. Other Offices.

The Corporation may have other offices, either in Texas or elsewhere, as the Board of Directors of the Corporation may from time to time determine.

1.03. Registered Office and Agent.

The Corporation shall maintain a registered office and registered agent in the State of Texas. The registered office may, but need not, be the same as the principal office in Texas. The Board of Directors may change the registered office and registered agent from time to time.

2. BOARD OF DIRECTORS.

2.01. Management of Corporation.

The affairs of the Corporation are managed by its Board of Directors.

2.02. Number, Qualifications, and Tenure.

The number of directors on the Board of Directors is Seven (7). A director must be a resident of the State of Texas, and, except as provided in Section 2.03 of these Bylaws, must be a duly elected, qualified, and serving member of the Board of Trustees of Southwest Texas Junior College (the "College"). Upon election and qualification to the Board of Trustees of the College, a

person becomes a director of the Corporation, and serves as a director only for the tenure of the person's term as a trustee of the College.

2.03. Vacancies.

If a vacancy occurs on the Board of Directors by reason of a vacancy on the Board of Trustees of the College, the vacancy is filled by the person who fills the vacancy on the Board of Trustees. If a vacancy on the Board of Trustees is not or cannot by law be filled for a period of time which exceeds thirty (30) days, or if the vacancy on the Board of Directors of the Corporation occurs by reason of the resignation or disability of a director who does not resign or is not removed from the Board of Trustees of the College, the vacancy is filled by the affirmative vote of a majority of the remaining directors, even if the vote is less than a quorum of the Board of Directors. A person elected by the remaining directors to fill a vacancy need not be a member of the Board of Trustees of the College, and serves for the unexpired term of the person's predecessor; a person who fills a vacancy on the Board of Directors by filling a vacancy on the Board of Trustees of the College serves for the remainder of the person's term on the Board of Trustees. Even though, under this Section 2.03, the remaining directors may be empowered to fill a vacancy, they are not required to do so.

2.04. Annual Meeting.

Beginning in 1990, the Board of Directors shall hold an annual meeting at \_\_\_\_\_ o'clock \_\_.m. on the \_\_\_\_\_ day of \_\_\_\_\_ each year at the principal office. At the annual meeting, the Board of Directors shall elect officers of the Corporation for the coming year, and may transact such other business as may come before the meeting. No notice other than these Bylaws is required of the annual meeting.

2.05. Regular Meetings.

The Board of Directors may provide for regular meetings by resolution stating the time and place

of such meetings. Unless a regular meeting is to be held at a place other than the principal office, no notice other than the resolution is required of regular meetings.

2.06. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. A person or persons authorized to call a special meeting may fix any place within or without Texas as the place for holding the special meeting. The person or persons calling the special meeting shall notify the secretary of the Corporation of the information to be included in the notice of the meeting. The secretary shall give notice to each director as required in these Bylaws.

2.07. Notices.

Written notice of any special meeting shall be given to each director not less than five (5) days nor more than thirty (30) days before the date of the meeting. The notice must state the place, date, and time of the meeting, by whom the meeting was called, and the purpose or purposes for which the meeting was called.

2.08. Quorum.

A majority of directors then in office constitutes a quorum for the transaction of business at any meeting of the Board of Directors. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of directors present may adjourn and reconvene the meeting one time without further notice.

2.09. Duties of Directors.

Directors shall exercise ordinary business judgment in managing the affairs of the Corporation.

While acting in their official capacities, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are not unlawful.

2.10. Actions of the Board.

The vote of a majority of directors present and voting at a meeting at which a quorum is present constitutes the act of the Board of Directors, unless a greater number is required by law or by these Bylaws. A director present at a meeting who abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board of Directors. A director who is represented by proxy in a vote is considered present and voting.

2.11. Proxies.

A director may vote by proxy executed in writing by the director. A proxy becomes invalid after the expiration of forty-five (45) days from the date of its execution.

2.12. Compensation.

Directors shall not receive salaries for their services as directors. The Board of Directors may by resolution provide for the payment to directors of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the Board of Directors. A director may serve the Corporation in any other capacity and receive reasonable compensation for those services.

3. OFFICERS.

3.01. Officer Positions.

The officers of the Corporation are a president, vice president, secretary, and treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of

president and secretary. The president and secretary are ex officio members of the Board of Directors.

3.02. Election and Term of Office.

The officers of the Corporation are elected annually by the Board of Directors at its regular annual meeting. If the election is not held at that meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed him- or herself.

3.03. Removal.

Any officer may be removed by the Board of Directors with or without cause. The removal of an officer shall be without prejudice to the officer's contract rights, if any.

3.04. Vacancies.

A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

3.05. President.

The president is the chief executive officer of the Corporation. The president supervises and controls all of the business and affairs of the Corporation, and presides at meetings of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts, or other documents or instruments authorized by the Board of Directors to be executed, unless the power to execute a particular instrument is delegated to another officer or agent by the Board of Directors, these Bylaws, or statute. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

3.06. Vice President.

The vice president performs the duties of president when the president is absent, is unable to

act, or refuses to act. When the vice president acts in the place of the president, the vice president has all of the powers of and is subject to all the restrictions upon the president. The vice president performs other duties prescribed by the Board of Directors.

3.07. Treasurer.

The treasurer has charge and custody of and is responsible for all funds and securities of the Corporation, receives and receipts for money due and payable to the Corporation, deposits all money in the name of the Corporation in banks or other depositories as provided in these Bylaws or as directed by the Board of Directors or president, writes checks and disburses funds to discharge obligations of the Corporation, maintains the financial books and records of the Corporation, prepares financial reports at least annually, and performs other duties prescribed by the president or the Board of Directors.

3.08. Secretary.

The secretary gives all notices required by these Bylaws or by law, takes minutes of the meetings of the Board of Directors and keeps the minutes as part of the corporate records, maintains custody of the corporate records and seal, affixes the seal of the Corporation to all documents as authorized, keeps a register of the mailing address of each director, officer, and employee of the Corporation, and performs other duties prescribed by the president or the Board of Directors.

4. TRANSACTIONS OF THE CORPORATION.

4.01. Contracts.

The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and in behalf of the Corporation.

4.02. Deposits.

All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust



companies, or other depositaries selected by the Board of Directors.

4.03. Gifts.

The Board of Directors may accept in behalf of the Corporation any gift, contribution, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by these Bylaws, the Articles of Incorporation or the Corporation, state law, or any requirements for maintaining the Corporation's federal and state tax status.

4.04. Potential Conflicts of Interest.

The Corporation shall make no loan to a director or officer of the Corporation. A director or officer of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the Bylaws, Articles of Incorporation, and all applicable laws. An officer or director transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with an officer or director unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation, and then only provided that all relevant facts have been fully disclosed and the transaction has been approved by the Board of Directors, not including the vote of any person having a personal interest in the transaction.

5. BOOKS AND RECORDS.

5.01. Required Books and Records.

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

- (a) a file-endorsed copy of all documents filed with the Texas Secretary of State;

- (b) a copy of these Bylaws, and any amendments to these Bylaws;
- (c) minutes of the proceedings of the Board of Directors, and committees having any authority of the Board of Directors;
- (d) a list of the names and addresses of the directors and officers of the Corporation;
- (e) financial statements showing the assets, liabilities, net worth, income, and expenses of the Corporation for the three (3) most recent fiscal years;
- (f) all rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status;
- (g) the Corporation's federal information or income tax returns for the three (3) most recent fiscal years.

5.02. Inspection and Copying.

An officer or director of the Corporation has the right to inspect and copy the Corporation's records, and may do so through his or her attorney or authorized representative. A person who has a right to inspect and copy the records may do so at any reasonable time during normal business hours. The Board of Directors may by resolution establish reasonable fees to cover the cost of labor and materials for copying records.

6. FISCAL YEAR.

6.01. Fiscal Year.

The Corporation's fiscal year begins on \_\_\_\_\_ and ends on \_\_\_\_\_ in each year.

7. INDEMNIFICATION.

7.01. When Required, Permitted, and Prohibited.

- (a) The Corporation shall indemnify a director, officer, or employee of the Corporation who was, is, or may be named as a 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, but only if he or she acted in good faith and reasonably believed that the conduct was in the best interest of the Corporation. In the case of a criminal proceeding, the person 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.

- (b) In addition to the indemnity described in subsection (a) of this Section, the Corporation may indemnify a director, officer, or employee of the Corporation to the extent permitted by law, unless the particular situation is one for which indemnity is expressly prohibited by subsection (a).

#### 7.02. Procedures for Indemnification Payments.

- (a) Before the Corporation pays any indemnity (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subsection (b) of this Section. The Corporation may make these determinations by any one of the following procedures:

- (1) majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding;
- (2) if such a quorum cannot be obtained, 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, consisting solely of three or more directors who at the time of the vote are not named defendants or respondents in the proceeding;

- (3) determination by special legal counsel selected by the Board of Directors by vote as provided in subsection (a)(1) or (a)(2) of this Section, or if such a quorum cannot be obtained and such a committee cannot be established, a majority vote of all directors.
- (b) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the indemnitee. That determination shall be made in the same manner as a determination that indemnification is permissible under subsection (a) of this Section. The indemnitee's written affirmation shall state that he or she has met the standard of conduct for indemnification under Section 7.01 of these Bylaws, and the indemnitee's written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the indemnitee has not met the standards for indemnification. The undertaking shall be an unlimited general obligation of the indemnitee, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

## 8. NOTICES.

### 8.01. Manner of Notice.

Any notice required or permitted by these Bylaws may be given to a director or officer by mail or in person. If mailed, a notice shall be deemed to have been delivered when deposited in the United States mail addressed to the intended recipient at his or her address as it appears on the records of the Corporation, with postage prepaid. A person may change his or her address by giving written notice to the secretary of the Corporation.

8.02. Signed Waiver of Notice.

Whenever any notice is required to be given by law or under the provisions of the Articles of Incorporation or these Bylaws, a waiver in writing signed by the person entitled to notice shall be deemed equivalent to the giving of notice. A signed waiver of notice is effective whether it is signed before or after the time stated in the notice being waived.

8.03. Waiver by Attendance.

The attendance of a person at a meeting constitutes a waiver of notice of that meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

9. SPECIAL PROCEDURES CONCERNING MEETINGS.

9.01. Meeting by Telephone.

The Board of Directors may hold a meeting by telephone conference-call procedures. The notice of a meeting by telephone conference must state, in addition to any other required matters, that the meeting will be held by telephone conference. Participation of a person in a telephone conference-call meeting constitutes presence of that person at the meeting.

9.02. Decision Without Meeting.

Any decision required or permitted to be made at a meeting of the Board of Directors may be made without a meeting, if written consent to the decision is signed by all of the directors. Each original signed consent shall be kept among the Corporation's records.

9.03. Voting by Proxy.

A person otherwise authorized to exercise a proxy may not do so unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary shall record in the minutes of the meeting the

name of the person who executed the proxy and the name of the person exercising the proxy. If a person who has executed a proxy attends a meeting in person, the proxy is not effective for that meeting. A proxy filed with the secretary is effective until (i) a written revocation is delivered to the secretary, or (ii) the proxy expires under its terms, or (iii) the proxy expires under the terms of these Bylaws, whichever first occurs.

10. AMENDMENTS TO BYLAWS.

10.01. Method of Amendment.

These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted, by the Board of Directors.

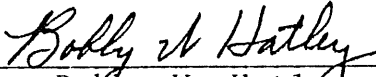
10.02. Special Notice.

The notice of any meeting at which these Bylaws are proposed to be altered, amended, or repealed, or at which new bylaws are proposed to be adopted, must include the text of the provisions to be altered, amended, repealed, or adopted, or a fair summary of those provisions.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of Southwest Texas Junior College Foundation, Inc., and that the foregoing bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on March 16, 1989.

DATED: March 16, 1989.

  
Name: Bobby W. Hatley  
Secretary of the Corporation