

**BYLAWS OF
THE BOTANICAL AND NATURE INSTITUTE OF SOUTH TEXAS, INC.
(Formerly the Corpus Christi Botanical Society, Inc.)**

These Bylaws (referred to as "Bylaws") govern the affairs of The Botanical and Nature Institute of South Texas, Inc., a nonprofit corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

**ARTICLE 1
OFFICES**

Principal Office

1.01. The principal office of the Corporation in the State of Texas shall be located at 8545 South Staples, Corpus Christi, Texas 78413. The Corporation may have such other offices, either in Texas or elsewhere, as the Managing Board of Directors may determine. The Managing Board of Directors may change the location of any office of the Corporation.

Registered Office and Registered Agent

1.02. 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 Managing Board of Directors may change the registered office and the registered agent as provided in the Act.

**ARTICLE 2
MEMBERS**

Classes of Members

2.01. The Corporation shall have four classes of members. Class A members shall be those natural persons making annual membership contributions in amounts determined by the Managing Board of Directors while and for such period of time such membership dues are paid. Class B members will be those corporate, partnership and other organizational persons who are not natural persons making annual membership contributions in amounts determined by the Managing Board of Directors while and for such period of time such membership dues are paid. Class C members will be those persons who by reason of their extraordinary contributions have been granted membership for a term certain or for life by the Managing Board of Directors. Class D members shall be those natural persons contributing volunteer services of such nature and for such duration as determined by the Managing Board of Directors to be qualification of such membership. Each Class A member shall be entitled to vote on all matters submitted to members, each member having one vote. All Class B members shall be entitled to vote on matters submitted to a vote of the members, each member having one vote. All Class C members shall be entitled to vote on matters submitted to a vote of the members, each member having one vote. Class D members will be non-voting members, but will otherwise be entitled to all privileges of membership.

Eligibility for Membership

2.02. Any natural person satisfying the requirement for membership in a particular class may become a member of such class. Any corporation, partnership or other organization may become a member upon satisfaction of the requirements for such membership if such corporation, partnership or other organization is in good standing under the laws of the State of Texas and the United States of America.

Membership Fees and Dues

2.03. The Managing Board of Directors may from time to time establish annual fees for membership for Class A and Class B members. The Managing Board of Directors may also establish from time to time the standards of qualification for Class C and Class D memberships.

Certificates of Membership

2.04. The Managing Board of Directors may provide for the issuance of certificates or other evidences of membership in such form as the Managing Board of Directors may elect.

Sanction, Suspension or Termination of Members

2.05. The Managing Board of Directors may impose reasonable sanctions on a member, or suspend or expel a member from the Corporation, for any material breach by such member of the rules and regulations adopted by the Managing Board of Directors for the use and management of the Corporation's properties and the promotion of its purposes. Any member to be sanctioned or suspended or expelled will be given reasonable notice of the intention of the Managing Board of Directors and an opportunity to be heard why such sanction, suspension or termination of membership should not take place. The Managing Board of Directors may designate a committee to hold such hearing as may be requested, such hearing to be at a reasonable time and place upon such notice as is reasonably necessary to give the member requesting such hearing a fair hearing.

Resignation

2.06. Any member may resign from the Corporation; however, such resignation shall not relieve the member of any obligations to pay any dues or other charges accrued and unpaid prior to the effective date of such resignation.

Non-Transferable Nature of Membership

2.07. Membership in the Corporation is not transferable or assignable. Upon death of a natural person, his or her membership will terminate.

No Interest in Corporation Property

2.08. No member shall own or be entitled to receive any interest in any property acquired by the Corporation.

**ARTICLE 3
MEETINGS OF MEMBERS**

Annual Meetings

Special Meetings

3.01. The Managing Board of Directors shall hold an annual meeting of the members at 7 o'clock p.m. on the second Tuesday of May of each year. At the annual meeting, the voting members shall elect Managing Directors and transact any other business that may come before the meeting.

3.02. Special meetings of the members may be called by the president, the Managing Board of Directors, or not less than ten percent of the voting members.

Place of Meeting

3.03. The Managing Board of Directors may designate any place within the City of Corpus Christi, Texas, as the place of meeting for any annual meeting or for any special meeting. If the Managing Board of Directors does not designate the place of meeting, the meeting shall be held at the business office of the Corporation located in the Botanical Gardens.

Notice of Meetings

3.04. No special notice of the annual meeting need be given. Notice of special meetings will be given to voting members not less than ten nor more than fifty days before the date of the meeting. Notice of such meeting may be given by publication in any newspapers of general circulation in Nueces County, Texas, or by written notice thereof mailed by ordinary first class mail to such voting members. The notice shall state the place, day and time of the meeting, who called the meeting, and the general purpose or purposes for which the meeting is called.

Quorum

3.05. Ten voting members shall constitute a quorum at any annual meeting. Ten voting members shall constitute a quorum at any special meeting called by the president or the Managing Board of Directors. Ten percent of the members qualified to vote shall constitute a quorum at any meeting called by ten percent of the voting members.

Actions of Membership

3.06. The vote of a majority of voting members in good standing, present, and entitled to vote at a meeting which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or by these Bylaws. Voting shall be by voice vote unless any member in good standing, present, and entitled to vote at a meeting at which a vote is taken requests vote by ballot.

Proxies

3.07. A member in good standing and entitled to vote may vote by written proxy executed not later than fifteen days prior to the date on which the vote by proxy is exercised.

Voting by Mail

3.08. The Managing Board of Directors may authorize members to vote by mail on the election of Managing Directors and officers or any other matter that may be voted on by the members.

**ARTICLE 4
MANAGING BOARD OF DIRECTORS**

Management of the Corporation

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

Number, Qualifications and Tenure of Managing Directors

4.02. The number of Managing Directors shall be a number determined by the Managing Board of Directors that is not less than seven nor greater than fifty. Managing Directors need not be residents of Texas. Managing Directors shall be members of the Corporation. Managing Directors shall be divided into three classes as nearly even in membership as possible. Each class of Managing Directors shall serve for three years, with the election of each class staggered so that one class is elected every year.

Nomination of Managing Directors

4.03. Any member may be nominated for election as a Managing Director by the Managing Board of Directors. Any voting member in good standing may nominate a member for election to the Managing Board of Directors by writing delivered to the Managing Board of Directors not less than thirty days prior to the annual meeting. In the absence of any such nominations sufficient to fill a class, any voting member in good standing, present and entitled to vote at an annual meeting may nominate a member for election to such class of the Managing Board of Directors.

Election of Managing Directors

4.04. One class of Managing Directors shall be elected at each annual meeting of members. Of those persons placed in nomination for election as Managing Directors of the class on which voting is to occur, those persons having the highest number of votes shall be elected to serve in such class. Each member voting may cast as many votes as there are Managing Directors being elected to such class. Members shall not be permitted to accumulate their votes by giving one candidate as many votes as the number of Managing Directors to be elected or by distributing the same number of votes among any particular number of candidates. Each Managing Director shall hold office until a successor is elected and qualified. No person shall be qualified to be elected as a Managing Director after having served nine successive years as Managing Director, but may be elected to serve as a Managing Director after the absence of one year from such service.

Vacancies

4.05. Any vacancy occurring in the Managing Board of Directors by reason of resignation, death, failure to attend at least three successive Managing Board of Directors meetings, or failure to renew membership shall be filled by an affirmative vote of the majority of the remaining Managing Directors.

Annual Meetings

4.06. The annual meeting of the Managing Board of Directors may be held without notice other than these Bylaws. The annual meeting of the Managing Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

Regular Meetings

4.07. The Managing Board of Directors shall meet approximately every three months at the time and place set by the Managing Directors; provided that the place of such meeting shall always be located in Nueces County, Texas. No notice of regular meetings of the Managing Board of Directors is required other than a resolution by the Managing Board of Directors stating the time and place of the meetings.

Special Meetings

4.08. Special meetings of the Managing Board of Directors may be called by or at the request of the president or upon written notice of any five Managing Directors. Such special meetings shall be held only upon written notice to all Managing Directors mailed at least ten days prior to the meeting.

Quorum

4.09. Three Managing Directors shall constitute a quorum for the transaction of business at any meeting of the Managing Board of Directors.

Duties of Managing Directors

4.10. Managing Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as Managing Directors of this Corporation, Managing Directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and that are not unlawful. A Managing Director shall not be liable for any action taken by the Managing Director if, in the exercise of ordinary care, the Managing Director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Actions of the Managing Board of Directors

4.11. The Managing Board of Directors shall try to act by consensus; however, the vote of a majority of Managing Directors present and voting shall be sufficient to constitute the act of the Managing Board of Directors.

Proxies

4.12. A Managing Director may not vote by proxy.

Acting Through Executive Committee

4.13. The Managing Board of Directors may delegate to an Executive Committee consisting of the President, a Vice President, the Secretary and the Treasurer together with not more than five additional members selected from the Managing Board of Directors authority to act by quorum of not less than five members in its place and stead. The Executive Committee shall meet at least once monthly, or more often if it so elects, at the time and place of their selection for the purpose of discussing business affairs that might otherwise come before the Managing Board of Directors, and in connection with such management, a quorum being present, for the purpose of adopting such resolutions as might be adopted by the Managing Board of Directors, each which resolution so adopted shall continue in force and effect unless and until amended, replaced or repealed by the Executive Committee or the Managing Board of Directors. Minutes of all Executive Committee meetings shall be placed in the minute book and considered minutes of the Managing Board of Directors.

Compensation

4.14. Managing Directors, Advisory Directors and Executive Committee members shall not receive salaries for their services in such capacities; however, any such person may be a salaried employee of the Corporation in performance of other duties and responsibilities.

Termination of Service as Managing Director

4.15. A Managing Director who fails to maintain membership in good standing shall be considered to have resigned. A Managing Director who misses three Managing Board of Directors' meetings without excuse granted by the other Managing Directors may be considered to have resigned. Any Managing Director may be removed from office by a two-thirds vote of the remaining Managing Directors at a meeting specially called for such purpose with or without cause.

Advisory Board of Directors

4.16. The Managing Board of Directors may from time to time appoint Advisory Directors. Advisory Directors will have no vote, but may perform such other duties and advise upon such matters as may be delegated by the Managing Board of Directors. Each Advisory Director shall serve at the will of the Managing Board of Directors. An Advisory Director need not be a member of the Corporation.

ARTICLE 5 OFFICERS

Officer Positions

5.01. The officers of the Corporation shall be a president and two or more vice presidents, a secretary, and a treasurer. The Managing Board of Directors may create additional officer positions, define the authority and duties of each such 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. While preferable that the officers also be Managing Directors, such shall not be required. Any officer who is not a director may attend Managing Directors' meetings, but shall have no vote.

Election and Term of Office

5.02. The officers of the Corporation shall be elected annually by the Managing Board of Directors at the regular annual meeting of the Managing Board of Directors. If the election of officers is not held at this 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.

Removal

5.03. Any officer elected or appointed by the Managing Board of Directors may be removed by the Managing Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

Vacancies

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

President

5.05. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meeting of the members and of the Managing Board of Directors. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Managing Board of Directors have authorized to be executed. However, the president may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Managing Board of Directors, the bylaws, or statutes. The president shall perform other duties prescribed by the Managing Board of Directors and all duties incident to the office of president.

Vice President

5.06. 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 power of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order designated by the president or, if he fails to so designate, by the Managing Board of Directors. A vice president shall perform other duties as assigned by the president or Managing Board of Directors.

Treasurer

5.07. 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 monies due and payable to the Corporation from any source.
- (c) Deposit all monies in the name of the Corporation in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Managing 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.
- (g) Perform other duties as assigned by the president or by the Managing Board of Directors.
- (h) If required by the Managing 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 Managing Board of Directors.
- (i) Perform all of the duties incident to the office of treasurer.

Secretary

5.08. 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 members and of the Managing Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and of the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.
- (e) Keep a register of the mailing address of each member Managing Director, officer, and employee of the Corporation.
- (f) Perform duties as assigned by the president or by the Managing Board of Directors.
- (g) Perform all duties incident to the office of secretary.

ARTICLE 6 COMMITTEES

Establishment of Committees

6.01. The term "Committee" as used in this Article shall not include that committee named by the Managing Board of Directors as its Executive Committee.

6.02. A committee shall include at least one Managing Director and may include persons who are not Managing Directors. If the Managing Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Managing Board of Directors may establish qualifications for membership on a committee. The Managing Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been delegated any authority of the Managing Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Managing Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Managing Board of Directors to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the bylaws.
- (h) Elect, appoint, or remove a member of a committee or a Managing Director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04, below.

- (j) Take any action outside the scope of authority delegated to it by the Managing Board of Directors.

Term of Office

6.03. Each member of a committee shall continue to serve on the committee at the will of the Managing Board of Directors, or until such time as his membership terminates under rules adopted by the Managing Board of Directors. A vacancy on a committee may be filled by appointment made by the president, such person to serve for the unexpired portion of the terminated committee member's term.

Rules of and Actions by Committees

6.04. Each committee may establish its own rules relating to time and place of meetings, notice of meetings, services to be performed by members, quorum, use or nonuse of proxies and actions taken; provided, all such rules, and particularly any determination by a committee of actions to be taken are subject to review by and approval of the Managing Board of Directors before becoming effective.

ARTICLE 7

TRANSACTIONS OF THE CORPORATION

Contracts

7.01. The Managing 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 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

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

Gifts

7.03. The Managing Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Managing 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.

Potential Conflicts of Interest

7.04. The Corporation shall not make any loan to a Managing Director or officer of the Corporation. A member, Managing Director, officer, or committee member 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. Such a person 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 a member, Managing Director, officer, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interest of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, Managing Director, officer, or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Managing Board of Directors, not including the vote of any person having a personal interest in the transaction.

Prohibited Acts

7.05. As long as the Corporation is in existence, and except with the prior approval of the Managing Board of Directors, no member, Managing Director, officer, or committee member 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 operations.
- (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 from the operation of the Corporation.
- (e) Use the assets of this 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.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 8
BOOKS AND RECORDS
Required Books and Records

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

- (a) A file-endorsed 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 proceedings of the members, Managing Board of Directors, and committees having any of the authority of the Managing Board of Directors.
- (d) A list of the names and addresses of the members, Managing Directors, officers, and any committee members of the Corporation.
- (e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the most recent fiscal year.
- (f) A financial statement showing the income and expenses of the Corporation for the most recent fiscal year.
- (g) All rulings, 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 most recent tax year.

Inspection and Copying

8.02. Any member, Managing Director, officer, or committee member of the Corporation may inspect and receive 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 records may do so at a reasonable time no later than ten working days after the Corporation's receipt of a proper written request. The Managing Board of Directors may establish reasonable fees for copying the Corporation's books and records by members.

Audits

8.03. Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

ARTICLE 9
FISCAL YEAR

9.01. The fiscal year of the Corporation shall begin on the first day of July, and end on the last day of June in each year.

ARTICLE 10
INDEMNIFICATION

When Indemnification is Required, Permitted, and Prohibited

10.01. (a) The Corporation shall indemnify Managing Director, officer, committee member, employee, or agent 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. For the purposes of this article, an agent includes one who is or was serving at the request of the Corporation as a Managing Director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. 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 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. 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.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a Managing Director, officer member, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a Managing Director, officer, member, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a), above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation or one or more members; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Corporation may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

10.02. (a) 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, except as provided in paragraph 10.02(c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of Managing Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
- (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Managing Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more Managing Directors who at the time of the vote are not named defendants or respondents in the proceeding.
- (iii) Determination by special legal counsel selected by the Managing Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Managing Directors.
- (iv) Majority vote of members, excluding Managing Directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determination that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members or the Managing Board of Directors that requires the indemnification permitted by paragraph 10.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) 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 person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE 11

NOTICES

Notice by Mail or Telegram

11.01. Any notice required or permitted by the bylaws to be given to a member, Managing Director, officer, or member of a committee of the Corporation may be given by mail or telegram, or as otherwise herein authorized. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at this or her address as it appears on the records of the Corporation, with postage prepaid. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at this or her address as it appears on the records of the Corporation. A person may change his or her address by giving written notice to the secretary of the Corporation.

Signed Waiver of Notice

11.02. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Waiver of Notice by Attendance

11.03. The attendance of a person at a meeting shall constitute a waiver of notice of the 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.

ARTICLE 12

SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone

12.01. The members, Managing Board of Directors, and any committee of the Corporation may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

Decision Without Meeting

12.02. Any decision required or permitted to be made at a meeting of the members, Managing Board of Directors, or any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original signed consents shall be placed in the Corporation minute book and kept with the Corporation's records.

Voting by Proxy

12.03. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the bylaws.

**ARTICLE 13
AMENDMENTS TO THE BYLAWS**

13.01. The bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the membership upon prior recommendation and approval of the Managing Board of Directors. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions. The following types of bylaw amendments may be adopted only by the members, and whether or not recommended and approved by the Managing Board of Directors:

- (a) Setting or changing the authorized number of Managing Directors.
- (b) Changing from a fixed number to a variable number of Managing Directors or vice versa.
- (c) Increasing or extending the terms of Managing Directors.
- (d) Increasing the quorum for membership meetings.
- (e) Repealing, restricting, creating, expanding, or otherwise changing the proxy rights of members.
- (f) Authorizing or prohibiting cumulative voting.

**ARTICLE 14
MISCELLANEOUS PROVISIONS**

Legal Authorities Governing Construction of Bylaws

14.01. 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

14.02. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, in 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 included in the bylaws.

Headings

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

Gender

14.04. 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.

Seal

14.05. The Managing Board of Directors is not required to but may provide for a corporate seal. Such a seal to comply with any provisions of law relating thereto. This seal must contain the full name of the Corporation and must indicate that it is incorporated in the State of Texas as a nonprofit Corporation.

Power of Attorney

14.06. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

Parties Bound

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