

INITIAL BYLAWS

OF

The McBryde Foundation

A NON-PROFIT CORPORATION

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These Bylaws are made pursuant to the Texas Non-Profit Corporation Act.

## ARTICLE I: OFFICES

### Registered Office and Agent

The registered office and registered agent of the corporation shall be as described in the Articles of Incorporation now existing or as amended.

### Other Offices

The corporation may also have offices at such other places both within and without the State of Texas as the board of directors may from time to time determine or the business of the corporation may require.

## ARTICLE II: DIRECTORS

### Management

The affairs of the corporation shall be managed by the board of directors who may exercise all such powers of the corporation and do all such lawful acts and things as allowed by statute, by the articles of incorporation or by these bylaws.

### Number; Qualification; Election; Term

The board of directors shall consist of four (4) or more directors, but not more than seven (7). No director need be a resident of any particular state. The directors shall be elected at the annual meeting of the corporation, except as provided below. Each director elected shall hold office until his successor shall be elected and shall qualify.

### Change in Number

The number of directors may be increased from time to time by amendment to these bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of directors called for that purpose.

### Removal

Any director may be removed either for or without cause at any special or annual meeting of directors by the affirmative vote of a majority in number of the directors present in person or by proxy at such meeting and entitled to vote for the election of such director if

notice of intention to act upon such matter shall have been given in the notice calling such meeting.

#### Vacancies

Any vacancy occurring in the board of directors (by death, resignation, removal or otherwise) may be filled by an affirmative vote of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

#### Election of Directors

Directors shall be elected by plurality vote. Cumulative voting shall not be permitted.

#### Place of Meeting

Meetings of the board of directors, regular or special may be held either within or without the State of Texas.

#### Regular Meetings

Regular meetings of the board of directors may be held without notice at such time and place as shall from time to time be determined by the board.

#### Special Meetings

Special meetings of the board of directors may be called by the president on three days' notice to each director, either personally or by mail or by telegram. Special meetings shall be called by the vice president or secretary in like manner and on like notice on the written request of two directors. Except as otherwise expressly provided by statute, or by the articles of incorporation, or by these bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

#### Quorum; Majority Vote

At all meetings of the board of directors, a majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as otherwise specifically provided by statute or by the articles of incorporation or by these bylaws. If a quorum is not present at a meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

#### Compensation

By resolution of the board of directors, the directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of the executive committee or of special or standing committees may, by resolution of the board of directors, be allowed like compensation for attending committee meetings.

#### Procedure

The board of directors shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the corporation.

#### Action Without Meeting

Any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the board of directors. Such consent shall have the same force and effect as a unanimous vote at a meeting. The signed consent, or a signed copy shall be placed in the minute book.

### ARTICLE III: EXECUTIVE COMMITTEE

#### Designation

The board of directors may, by resolution adopted by a majority of the whole board, designate an executive committee.

#### Number; Qualification; Term

The executive committee shall consist of two or more directors, one of whom shall be the president. The executive committee shall serve at the pleasure of the board of directors.

#### Authority

The executive committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the board of directors in the management of the business and affairs of the corporation except where action of the full board of directors is required by statute or by the articles of incorporation, and shall have power to authorize the seal of the corporation to be affixed to all papers which may require it.

#### Change in Number

The number of the executive committee members may be increased or decreased (but not below two) from time to time by resolution adopted by a majority of the whole board of directors.

#### Removal

Any member of the executive committee may be removed by the board of directors by the affirmative vote of a majority of the whole board, whenever in its judgment the best interest of the corporation will be served thereby.

#### Vacancies

A vacancy occurring on the executive committee (by death, resignation, removal or otherwise) may be filled by the board of directors in the manner provided for original designation herein.

#### Meetings

Time, place and notice (if any) of executive committee meetings shall be determined by the executive committee.

#### Quorum; Majority Vote

At meetings of the executive committee, a majority of the number of members designated by the board of directors shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the executive committee, except as otherwise specifically provided by statute or by the articles of incorporation or by these bylaws. If a quorum is not present at a meeting of the executive committee, the members present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present.

#### Compensation

The executive committee shall serve without compensation until such time as a salary is authorized by the board of directors.

#### Procedure

The executive committee shall keep regular minutes of its proceedings and report the same to the board of directors when required. The minutes of the proceedings of the executive committee shall be placed in the minute book of the corporation.

#### Action Without Meeting

Any action required or permitted to be taken at a meeting of the executive committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the executive committee. Such consent shall have the same force and effect as a unanimous vote at a meeting. The signed consent, or a signed copy, shall be placed in the minute book.

#### Responsibility

The designation of an executive committee and the delegation of authority to it shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

### ARTICLE IV: NOTICE

#### Method

Whenever by statute or the articles of incorporation or these bylaws, notice is required to be given to a director or shareholder, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given (a) in writing, by mail, postage prepaid, addressed to the director or shareholder at the address appearing on the books of the corporation, or (b) in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States' mail.

#### Waiver

Whenever, by statute or the articles of incorporation or these bylaws, notice is required to be given to a shareholder or director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends 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 V: OFFICERS AND AGENTS

#### Number; Qualification; Election; Term

The corporation shall have:

- (1) A president, a vice president, a secretary, and a treasurer; and
- (2) Such other officers (including a chairman of the board of directors and additional vice-presidents) and assistant officers and agents as the board of directors may deem necessary.

No officer or agent need be a director or a resident of Texas.

Officers named above shall be elected by the board of directors on the expiration of an officer's term or whenever a vacancy exists.

Unless otherwise specified by the board at the time of election or appointment, or in an employment contract approved by the board, each officer's and agent's term shall end at the first meeting of directors. He shall serve until the end of his term, or, if earlier, his death, resignation, or removal.

Any two or more offices may be held by the same person except where prohibited by the articles of incorporation or by statute.

#### Removal

Any officers or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or an agent shall not of itself create contract rights.

#### Vacancies

Any vacancy occurring in any office of the corporation (by death, resignation, removal or otherwise) may be filled by the board of directors.

#### Authority

Officers and agents shall have such authority and perform such duties in the management of the corporation as are provided in these bylaws or as may be determined by resolution of the board of directors not inconsistent with these bylaws.

#### Compensation

The compensation of officers and agents shall be fixed from time to time by the board of directors.

## President

The person acting as president shall be the chief executive officer of the corporation; he shall preside at all meetings of the board of directors, shall have general and active management of the business and affairs of the corporation, and shall see that all orders and resolutions of the board of directors are carried into effect. He shall perform such other duties and have such other authority and powers as the board of directors may from time to time prescribe.

## Vice President

The Vice Presidents in their order of seniority, unless otherwise determined by the board of directors, shall, in the absence of disability of the president, perform the duties and have the authority and exercise the powers of the president. They shall perform such other duties and have such other authority and powers as the board of directors may from time to time prescribe.

## Secretary

The secretary shall attend all meetings of the board of directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the executive committee when required.

He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors.

He shall keep in safe custody the seal of the corporation, and when authorized by the board of directors or the executive committee, affix the same to any instrument requiring it and when affixed it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

He shall be under the supervision of the president. He shall perform such other duties and have such other authority and powers as the board of directors may from time to time prescribe or as the president may from time to time delegate.

## Assistant Secretary

The assistant secretaries in the order of their seniority, unless otherwise determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and have the authority and exercise the powers of the secretary. They shall perform such

other duties and have such other powers as the board of directors may from time to time prescribe or as the president may from time to time delegate.

#### Treasurer

The person acting as treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements 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 board of directors.

He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation.

If required by the board of directors, he shall give the corporation a bond in such form, in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

He shall perform such other duties and have such other authority and powers as the board of directors may from time to time prescribe or as the president may from time to time delegate.

#### Assistant Treasurer

The assistant treasurers in the order of their seniority, unless otherwise determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and have the authority and exercise the powers of treasurer. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe or the president may from time to time delegate.

### ARTICLE VI: INDEMNIFICATION

#### When Indemnification is Required, Permitted, and Prohibited

The Corporation shall indemnify a 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 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.

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

The Corporation shall pay or reimburse expenses incurred by a director, officer, 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.

In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, 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 hereinabove.

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 the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

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

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 below. The Corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of the quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more 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 Board of Directors by a vote as provided above in (i) and (ii) or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

The Corporation shall authorize indemnification and determine 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 above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of the members or the Board of Directors that requires the indemnification permitted 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.

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. The above 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 determine 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.

## ARTICLE VII: GENERAL PROVISIONS

### Gifts

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 purpose 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 laws and any requirements for maintaining the Corporation's federal and state tax exempt status.

### Books and Records

The corporation shall keep, correct and complete books and records of account and shall keep minutes of proceedings of its board of directors.

### Director's Annual Statement

The board of directors shall present at each annual meeting a full and clear statement of charitable activity and condition of the corporation.

### Checks and Notes

All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

### Fiscal Year

The fiscal year of the corporation shall be fixed by resolution of the board of directors.

### Seal

The corporation seal (of which there may be one or more exemplars) shall contain the name of the corporation and the name of the state of incorporation. The seal may be used by impressing it or reproducing a facsimile of it, or otherwise.

### Resignation

Any director, officer or agent may resign by giving written notice to the president or the secretary. The resignation shall take effect at the time specified therein, or immediately if

no time is specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### Amendment of Bylaws

These bylaws may be altered, amended, or repealed at any meeting of the board of directors at which a quorum is present, by the affirmative vote of a majority of the directors present at such meeting, provided notice of the proposed alteration, amendment, or repeal is contained in the notice of such meeting.

#### Construction

Whenever the context so requires, the masculine shall include the feminine and neuter, the female shall include the male and neuter, the neuter shall include the male and female and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

#### Adoption of Bylaws

The foregoing Initial Bylaws of this Corporation are hereby adopted by the undersigned, being a majority of the directors of such Corporation named in the articles of incorporation on the 23rd day of December, 2004.

\_\_\_\_\_  
R. Nowlin McBryde, Director

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Carol A. McBryde, Director

\_\_\_\_\_  
Rebecca W. McBryde, Director

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Amy L. Howell, Director