

BYLAWS OF:
TILDEN LIVESTOCK SCHOLARSHIP ASSOCIATION

(Amended the 23rd day of August, 2022)

ARTICLE ONE

NAME, LOCATION, AND OFFICES

- 1.01 **Name.** The name of this Non-Profit Corporation is TILDEN LIVESTOCK SCHOLARSHIP ASSOCIATION ("TLSA").
- 1.02 **Principal Office.** The principal office of the TLSA is located in Tilden, Texas with a registered office at 2097 Hwy 16, Tilden, Texas 78072, and a mailing address of P.O. Box 344, Tilden, Texas 78072. For the purpose of these Bylaws, any reference to the "principal office" of the TLSA shall be deemed to refer to such location as may be determined by the Board of Directors and set forth in a resolution duly adopted. The TLSA may have such other offices, either within or without the State of Texas, as the business of the TLSA may require and the Board of Directors may determine.

ARTICLE TWO

BUSINESS OF THE TLSA

- 2.01 **Purposes.** The purposes for which the TLSA is organized are as follows:
- A. The administration of Corporation assets and income for exclusively charitable purposes.
 - B. At all times and within such purposes, to operate exclusively for charitable, religious, literary, educational and scientific purposes within the meaning of §501(c) (1) and 501 (c) (3) of the Internal Revenue Code of 1986 (the "code"), and to transact such other business as may be permitted for corporations exempt from tax under §501(c) (1) and 501 (c) (3) of the Code and incorporated under the Texas Business Organizations code (the "TBOC"); and
 - C. A volunteer organization to promote the education and development of youth in agriculture.
- 2.02 **Powers.** The TLSA shall possess all corporate powers provided by the TBOC and shall be entitled to engage in any legitimate pursuit not in contravention of the laws of the State of Texas and permitted foundations exempt from tax under §501(c) (3) of the Code.

ARTICLE THREE

BOARD OF DIRECTORS

- 3.01 **General Powers.** The business and affairs of the TLSA shall be managed by its Board of Directors (the "Board"). The Board may adopt such rules and regulations for the conduct of its meetings and management of the business and affairs of the TLSA as it may deem proper, not inconsistent with the laws of the State of Texas, the Certificate of Formation of this TLSA, or these Bylaws.
- 3.02 **Election, Number and Qualification.** The Board of Directors shall consist of not more than thirty (30) and not less than three (3). The Directors shall be selected by vote of the Members at a vote at the annual meeting of Members. The current Board of Directors shall serve a three (3) year term. Beginning in August, 2014, the Board of Directors shall by lottery, the drawing of straws, or other method of chance be divided in to three (3) classes as nearly equal in size as practical, hereby designated Class A, Class B, and Class C. The term of office of the initial Class A Directors shall expire in August, 2014. The term of office of the initial Class B Directors shall expire in August, 2015. The term of office of Class C Directors shall expire in August, 2016. The Directors shall serve for staggered terms of three (3) years or until they resign, are unable to serve, or are removed and until their successors are elected and qualify. If the number of Directors is hereafter changed, any newly created directorships or decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as practicable. Any vacancy in the Board of Directors may be filled by majority vote at any meeting of the Board of Directors at which a quorum is present.
- The Board may appoint one or more persons to be Advisory Directors to the Board. Upon appointment, the Board, by no less than 2/3rds consent, shall determine the term for which each Advisory Director shall serve, and may grant such Advisory Director the right to vote on matters that come before the Board. The term and voting rights agreed upon for each Advisory Director shall be reduced to writing and recorded in official records of the Corporation. The Board may also name Directors Emeritus who shall serve as non-voting Board Members for life.
- 3.03 **Annual Meeting.** An annual meeting of the Board shall be called by the President, and shall take place at a time and location agreed upon by a majority of the Board of Directors, in the Board's sole discretion. The Board shall provide adequate notice of the Annual meeting to each Director pursuant to these By-Laws, unless a waiver of notice is otherwise executed. The purpose of such annual meeting will be the election of Directors and officers and the transaction of such other business as may come before the meeting.
- 3.04 **Regular Meetings.** Regular meetings of the Board shall be held at such time and place as designated by the Board. The Board may provide, by resolution, the time and place, either within or without the State of Texas, for the holding of additional regular meetings without other notice than such resolution. Regular meetings may be post-poned by the President or majority of the Directors then in office, at any time prior to calling the meeting to order, to

accommodate an event of force majeure (i.e. an act of God, storm, pandemic, strike, lock-out, war, civil disturbance, natural disaster, acts of terrorism, or other events that would jeopardize the safety of the Board or hinder the purpose of this Corporation). Such postponed meeting shall be re-called to order by the President or a majority of the Directors then in office, (i) at a new time set by the President or majority of the Directors then in office; or (ii) on the 60th day after the event of force majeure has ended, whichever is earlier. However, in no event shall a regular meeting be postponed for more than one (1) year.

- 3.05 **Special Meetings.** Special meetings of the Board may be called at the request of the President or a majority of the Directors then in office. The person or persons calling the meeting may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board.
- 3.06 **Meeting by Telephone.** The Board may hold a meeting by telephone conference, video conference, ZOOM, or other electronic means, in which all persons participating in the meeting can hear each other and identify one-another. For such a meeting to occur, the notice of meeting must state the fact that the meeting will be held electronically as well as all other matters required to be included in meeting notices as provided in Section 3.07 of the Bylaws. Participation of a person in an electronic meeting constitutes presence of that person at the meeting.
- 3.07 **Notice.** Notice of any special meeting of the Board shall be given no less than two (2) nor more than thirty (30) days before the meeting, either personally, by facsimile transmission, by email, or by mail, by or at the direction of the President, the Secretary, the officers, or any person calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited with the United States Postal Service addressed to the Director at his or her address as it appears on the records of the TLSA, with postage thereon paid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile. Any Director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board need be specified in the notice or waiver of notice of any special meeting, and in the case of any special meeting the purpose of which is to consider altering, amending or repealing these Bylaws or the enactment of new bylaws, the notice shall include the prepared texts of the alterations, amendments or new bylaws.
- 3.08 **Quorum.** Except as provided by section 3.09 below, a simple majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of such number of Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.
- 3.09 **Manner of Acting.** The vote, consent, or concurrence of no less than two-thirds of the Directors and Members then constituting the quorum shall be required to:

A. Amend the Certificate of Formation of the TLSA.

B. Amend the Bylaws, particularly the provisions that sets out the purposes of the TLSA; or the character requirements for new Members.

C. Direct the transfer of all or part of the TLSA's funds to a new or different corporation, organized exclusively for charitable purposes and qualified for tax exempt purposes to the same extent as this TLSA, and with provisions for management and operation of the assets of the TLSA consistent with those contained herein; and

D. Terminate and dissolve the TLSA, in which event all of the net assets of every nature whatsoever shall be distributed and paid out by the TLSA for such charitable purposes as the Board shall determine consistent with the limitations imposed on such directors by Article VIII of the Certificate of Formation, in whole or in part, to charitable or educational corporations or entities qualified for tax exemption under §501(c) (3) of the Code as it now exists or is hereafter amended, and none of said assets shall ever inure to the benefit of any Director, contributor, donor, officer or employee of the TLSA or any individual whomsoever.

In all other respects, except as provided herein or in the Certificate of Formation, the act of the majority of the Directors then constituting a quorum shall be the act of the Board.

3.10 **Informal Action by Directors.** Unless specifically prohibited by the Certificate of Formation of the TLSA or these Bylaws, any action required to be taken at a meeting of the Board, or any other action which may be taken at such a meeting may be taken without a meeting if a consent in writing (by text, email, or otherwise), setting forth the action so taken, shall be signed by all of the Directors. Any such consent signed by all the Directors shall have the same effect as a unanimous vote at a meeting and may be stated as such in any document filed.

3.11 **Vacancies.** Any vacancy occurring in the Board of Directors by reason of the resignation, removal or death of a Director shall be filled by the remaining Board members until the next election of Board Members. A Director so elected to fill a vacancy shall be elected for the unexpired terms of his or her predecessor in office.

3.12 **Presumption of Assent.** A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail or my facsimile transmission to the TLSA immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action. Notwithstanding anything herein to the contrary, 4-H Advisors and FFA Advisors, in such capacity only, will not be permitted to vote on any business before the Board. .

3.13 **Term.** Except as otherwise specified by the Board, each Director shall hold office for a three-year term and until the election and qualification of his or her successor. Each Director shall serve for a staggered term as specified by the Board.

- 3.14 **Removal of Director.** Any Director may be removed, with or without cause, at any meeting of the Board called expressly for that purpose, by a majority vote of the Board of Directors.
- 3.15 **Attendance at Meetings.** Each Director shall attend a minimum of two-thirds (2/3) of the meetings of the Board within each calendar year. Excuses for good cause shall be considered. A Director who fails to satisfy those requirements may be removed unless the Board affirmatively acts to exempt the Board member for the action of this provision. If a director misses 3 consecutive meetings (of any kind), such absence shall be grounds for removal pursuant to Paragraph 3.14.
- 3.16 **Compensation.** Directors shall not receive compensation for their services as such but may be reimbursed for bona fide expenses incurred and arising out of services rendered as Board members.
- 3.17 **Membership in the TLSA.** The Members of TLSA shall be comprised of those individuals who have joined the TLSA under one of the categories of membership as adopted from time to time by the Board. The Members of TLSA shall be restricted to individuals, over 19 years of age, who have properly fill out a TLSA membership form, meet the character requirements of TLSA (as adopted by the Board), and have paid the appropriate dues. Notwithstanding anything herein to the contrary, to be entitled to vote, a member must be a parent or guardian of an active McMullen County 4-H or Tilden FFA member or must own the surface estate of real property in McMullen County, Texas, with a functioning agriculture operation (4-H and/or FFA projects alone do not constitute an agriculture operation for purposes of this paragraph).
- 3.18 **Voting.** Each voting Member in good standing, will be entitled to one vote on each matter submitted to a vote of the Members, including the election of Board members.
- 3.19 **Suspension of Expulsion of Members.** The Board of Directors, by their affirmative vote of sixty-six (66%) of all the Directors, may terminate the membership of any Member.
- 3.20 **Members Not in Good Standing.** A Member will not be in good standing and will not be entitled to vote on TLSA matters or participate in TLSA sanctioned activities if such member fails to meet any of the provisions of this Section 3 or any other provision of these bylaws.
- 3.21 **Resignation.** Any Member may resign by filing a written resignation with the secretary.
- 3.22 **Transfer of membership.** Membership in this corporation is neither transferable nor assignable.
- 3.23 **Termination of Membership.** Membership will terminate on the failure of the Member to pay annual dues, death, or resignation of a Member or upon expulsion of the Member by the Board of Directors. Upon such termination, any rights of the Member will cease.
- 3.24 **Annual Meeting.** An annual meeting of the Members commencing with the year 2013 shall be held, at such time and place specified by the Board of Directors in the notice of the meeting, at which the Members shall elect a Board of Directors, and transact such other business as may be properly brought before the meeting. Meetings may be held either within or without the state of Texas as prescribed by the directors. Such meetings of Members for any other purpose may be held at such time and place, within or without the

State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

- 3.25 **Voting List.** At least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at said meeting arranged in alphabetical order with the residence of each, shall be prepared by the Officer or agent having charge of the membership books. Such list, for a period of ten (10) days prior to such meeting shall be kept on file at the registered office of the corporation and shall be available to any Member at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof and shall be subject to the inspection of any Member who may be present.
- 3.26 **Special Meetings.** Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by stature or by the Articles of Incorporation, or by these Bylaws, may be called by the President, the Board of Directors, or not less than one-tenth (1/10) of all the members entitled to vote at the meetings. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.
- 3.27 **Notice.** Written or printed notice stating the place, day, and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, or by or at the direction of the President, the Secretary, or the Officer or person calling the meeting, to each Member entitled to vote at the meeting. If set forth in the notice of the meeting, such meetings shall be conducted in manner that complies with the applicable provisions of the Texas Open Meetings Act.
- 3.28 **Quorum.** A simple majority of the current Members, present in person or represented by written proxy, shall be requisite and shall constitute a quorum at all meetings of the Members for the transaction of business except as otherwise provided by stature, by the Articles of Incorporation, or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote there at, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.
- 3.29 **Voting.** When a quorum is present at any meeting, the vote of the majority of the current Members shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Articles of Incorporation or Bylaws. A different vote is required in which case such express provision shall govern and control the decision of such question. Each Member other than a Junior member shall be entitled to one vote on each matter submitted to a vote at a meeting of the Members. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

- 3.30 **Honorary and Lifetime Members.** The Board of Directors, at its discretion and by a simple majority vote, may appoint a lifetime or honorary member of the TLSA.

ARTICLE FOUR

OFFICERS

- 4.01 **Number.** The officers of the TLSA shall consist of a President, one or more Vice-Presidents (the number thereof to be determined by the Board), a Treasurer, and a Secretary. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.
- 4.02 **Election and Term of Office.** The officers of the TLSA shall be elected annually by the Board at its annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the board. Each officer shall hold office for a term of one (1) year or until a successor shall have been duly elected and shall have qualified or until his or her death, resignation or removal in the manner hereinafter set forth for that purpose. Election or appointment of an officer shall not in and of itself create contract rights.
- 4.03 **Removal.** Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the TLSA would be served thereby.
- 4.04 **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled for the unexpired portion of the term by the Board at any meeting.
- 4.05 **President.** The Board shall elect a President who shall, unless otherwise designated, be the Chief Executive Officer of the TLSA. The President shall exercise such powers as may be delegated to him or her from time to time by the Board. To be eligible for election of this position, the individual must (i) be a resident of McMullen County, Texas; or (ii) have a functioning agriculture operation in McMullen County, Texas (4-H and/or FFA projects alone do not constitute an agriculture operation for purposes of this paragraph).
- 4.06 **Vice-Presidents.** The Board may elect one or more Vice-Presidents who may, unless otherwise designated, be the Chief Operating Officers of the TLSA. The Vice President and Chief Operating Officer may exercise such powers and have such duties as may be delegated to him or her from time to time by the Board. The delegation may take the form of a job description contained in or attached to an employment agreement with the TLSA. In the absence of the President, or in the event of the President's refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in the order designated, or in the absence of any designation, then in the order of their election) may perform the duties of the President, and when so acting, may have the powers of and be subject to all the restrictions upon the President. Any Vice-President may sign, with the Secretary or any assistant secretary, documents on behalf of the TLSA as authorized by the Board or President and may perform such other duties as from time to time may be assigned by the President. To be eligible for election of this position, the individual must (i) be a resident of McMullen County, Texas; or (ii) have a functioning agriculture operation in McMullen County, Texas (4-H and/or FFA projects alone do not constitute an agriculture

operation for purposes of this paragraph).

4.07 **Treasurer.** The Treasurer shall:

A. Have charge and custody of and be responsible for all funds and securities of the TLSA, receive and give receipts for moneys due and payable to the TLSA from any source whatsoever, and deposit all such funds in the name of the TLSA in such depository institutions as shall be selected in accordance with the provisions of Article Seven of these Bylaws; and

B. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board.

4.08 **Secretary.** The Secretary shall:

A. Keep the minutes of the meetings of the Board in one or more books provided for that purpose.

B. See that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law.

C. Be custodian of the TLSA records; and

D. In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

4.09 **Salaries.** The Board shall fix the salaries of the staff or employees from time to time. Salaries of staff or employees of the TLSA may be increased or decreased having due regard to the income, assets, and liabilities of the TLSA and in accordance with the services to be performed by such officers.

4.10 **Paid Staff.** The Board of Directors may employ individuals or enter into professional service contracts as may be deemed appropriate in furtherance of the purposes of the TLSA. Job descriptions and/or contract specifications shall be as determined by the Board

ARTICLE FIVE

DISTRIBUTIONS AND DISBURSEMENTS

5.01 **Annual Distributions.** From time to time but at least annually, the Board shall determine all grants and other discretionary or mandatory distributions to be made from the net income or principal of its assets pursuant to the provisions of these Bylaws, Texas law or the Code, and shall make such distributions to such qualified organizations or individuals in such amounts and at such time or times and with such accompanying restrictions, in any that the Board shall deem necessary to insure the use of such funds for authorized charitable purposes in the manner intended, and shall determine all disbursements to be made for administrative and operational expense incurred by the TLSA. All such determinations shall be by affirmative vote of a majority of the Board present at any meeting thereof unless otherwise expressly provided herein.

5.02 **Principal Distributions.** If distributions of principal are to be made or permitted, the Board shall inform the custodian or any other fiduciary holding funds as far in advance as the Board shall deem practicable, so that such fiduciary may adjust its investment policies accordingly

and upon advice from the Board, proceed with the liquidation of investments in an appropriate manner.

ARTICLE SIX

AUDITS AND REPORTS

6.01 **Accounting.** Each custodian, trustee or other fiduciary designated by the TLSA shall account to the TLSA at least annually for all of its actions and accounts, and the TLSA may request and require an independent audit if it so determines or may rely on the certification of the custodian or trustee that the accounting furnished by it is true and correct according to accepted audit and accounting practices.

6.02 **Audits.** An independent auditor appointed or approved by the Board at such time as the Board may determine shall prepare for the TLSA, a certified audit and consolidated financial statements, including a statement of distributions, and a list of projects or organizations to or for which funds were used or distributed for charitable or educational purposes, and such other additional reports or information as may be requested from time to time by the Board. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal governments, to be filed by the TLSA. Expenses of such audit and report shall be deemed proper expenses of administration of the TLSA. It is expressly understood, that the Board shall be under no obligation to conduct the above mentioned certified audit unless voted on and approved by the Board or one is required by law.

6.03 **Public Disclosure.** At least once each year, at the request of any member or individual served by TLSA, TLSA shall furnish a reasonably comprehensive report of its activities during the preceding year, including information necessary in the opinion of the Board and/or as is required by law.

ARTICLE SEVEN

CONTRACTS, LOANS, CHECKS & DEPOSITS

7.01 **Contracts.** Contracts entered into in the ordinary course of business may be signed by the Chair or the President; provided further, however, that any contract which is executed on behalf of the TLSA which is not in the ordinary course of business shall first be authorized by Board and shall be signed by the President of the TLSA. The Board may authorize by resolution any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument which is in the ordinary course of business in the name of and on behalf of the TLSA, and such authority may be general or confined to specific instances.

7.02 **Loans.** No loans shall be contracted on behalf of the TLSA and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

7.03 **Checks and Drafts.** All payments from TLSA funds shall be made by check to be signed by the President or by any other person duly designated by a resolution passed by the

Board, or by an employee of the TLSA who may be designated by a resolution passed by the Board.

7.04 **Deposits.** All funds of the TLSA not otherwise employed shall be deposited from time to time to the credit of the TLSA in such banks, trust companies or other depositories as the Board may select.

ARTICLE EIGHT

INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.01 **Right to Indemnification.** The TLSA shall indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding, whether civil, criminal, administrative, arbitative, or investigative, including all appeals, by reason of the fact that person is or was a Director, Officer, employee, or agent of the TLSA, or was serving at the request of the TLSA as a director, officer, partner, venture, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. Indemnification shall be against all reasonable expenses, including without limitation, attorneys' fees, court costs, expert witness fees, judgments, decrees, fines, settlements, penalties (including excise and similar taxes), and reasonable expenses actually incurred by the person in connection with the proceeding, except that if a person is found liable to the TLSA or is found liable on the basis that he or she improperly received personal benefit, indemnification shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding, and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the TLSA.

8.02 **Limitations on Indemnification**

A. No indemnification shall be made for obligations resulting from a proceeding in which the person is found liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in the person's official capacity, or from a proceeding in which the person is found liable to the TLSA.

B. Indemnification under these Bylaws shall be available only after a determination has been made that the person acted in good faith, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful, and:

(1) In the case of conduct in an official capacity, reasonably believed his or her conduct to be in the best interests of the TLSA.

(2) In all other cases, reasonably believed his or her conduct to be at least not opposed to the best interests of the TLSA.

The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not of itself be determinative that the person failed to act in accordance with these requirements. A person shall be deemed to have been found liable in respect of any claim, issue, or matter only

after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals from the judgment.

C. The determination of indemnification required by Paragraph (B), above must be made:

1. By majority vote of a quorum of Directors not named as defendants or respondents in the proceeding; or
2. If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated by majority vote of all Directors, consisting solely of two (2) or more Directors not named defendants or respondents in the proceeding; or
3. By special legal counsel selected by the Board or by a committee of the Board by vote as set forth in Paragraphs (1) or (2) above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

Authorization of indemnification and determination of reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible except that 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 in Paragraph (3) above, for the selection of special legal counsel.

- 8.03 **Indemnity for Successful Defense.** In spite of any limitations set forth in Sections 9.01 and 9.02, above, to the extent that any person has been wholly successful on the merits or otherwise in defense of any proceeding referred to in those paragraphs, that person shall be indemnified against all reasonable expenses incurred by him or her, including, without limitation, attorneys' fees, court costs and expert witness fees, and expenses incurred in securing indemnification.
- 8.04 **Reimbursement of Expenses.** Notwithstanding anything to the contrary contained herein, the TLSA shall pay or reimburse the expenses incurred by a Director in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.
- 8.05 **Advancement of Expenses.** Reasonable expenses incurred by a Director, officer, employee, or agent of the TLSA who was, is, or is threatened to be made a named defendant or respondent in an action, suit, or proceeding may be paid or reimbursed by the TLSA in advance of the final disposition as authorized by the Board. Before authorizing the advance, the Board must determine that under the facts then known indemnification would not be precluded under these Bylaws. In addition, the Board must receive:
- A. A written affirmation by the Director, officer, employee, or agent involved of that person's good faith belief that he or she had met the standard of conduct necessary under these Bylaws for indemnification; and

B. A written undertaking by or on behalf of the Director, officer, or employee involved to repay the expense if it is ultimately determined that he or she had not met the standard of conduct necessary under these Bylaws for indemnification.

8.06 **Indemnification Not Exclusive.** The indemnification provided by this Article shall not be deemed to be exclusive of any other rights to which any person indemnified may be entitled under any regulation, agreement, vote of the disinterested Directors or otherwise. The indemnification provided by this Article shall not be deemed exclusive of any other power to indemnify or right to indemnification that the TSLA or any person referred to in this Article may have or acquire under the laws of the State of Texas. Indemnification shall continue and inure to the benefit of the heirs, executors, and administrators of any person entitled to indemnification under this Article.

8.07 **Insurance.** The TSLA may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the TSLA or who is or was serving at the request of the TSLA as a Director, officer, partner, venture, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability assessed against him or her and incurred in such a capacity or arising out of his or her status as such a person, whether or not the TSLA would have the power to indemnify him or her against that liability under the Article. In addition, the TSLA may purchase, maintain, or enter into other arrangements on behalf of any person who is or was a director, officer, or trustee of the TSLA against any liability asserted against him or her and incurred in such capacity or arising out of his or her status as such a person, whether or not the TSLA would have the power to indemnify him or her against that liability under this Article. If such other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the arrangement may provide for payment of a liability with respect to which the TSLA would not have the power to indemnify a person only of coverage for that liability has been approved by the Board. Without limiting the power of the TSLA to procure or maintain any kind of other arrangement, the TSLA, for the benefit of the persons it has indemnified, may: (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the TSLA; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance may be procured or maintained with an insurer, or the other arrangement may be procured, maintained, or established within the TSLA or with any insurer or other person considered appropriate by the Board, regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the TSLA. In the absence of fraud, the judgment of the Board as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement is conclusive, and the insurance or arrangement is not voidable and does not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement.

- 8.08 **Report of Indemnity or Advance.** Any indemnification of or advance of expenses to an individual in accordance with this Article shall be reported in writing to the Directors of the TLSA: (i) with or before the notice or waiver of notice of the next meeting of Directors; (ii) with or before the next submission to Directors of a consent to action without a meeting; and (iii) in any case, within the twelve (12) month period immediately following the date of the indemnification or advance.

ARTICLE NINE

FISCAL YEAR

- 9.01 The fiscal year of the TLSA shall end on the last day of the month of December of each year.

ARTICLE TEN

MISCELLANEOUS PROVISIONS

- 10.01 **Governing Law.** These Bylaws shall be construed in accordance with the laws of the State of Texas.
- 10.02 **Legal Construction.** If any Bylaws 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 included in these Bylaws.
- 10.03 **Headings.** The headings used in these Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.
- 10.04 **Gender and Number.** Whenever the context requires, all words in these Bylaws in the male or female gender shall be deemed to include either gender, all singular words shall include the plural, and all plural words shall include the singular.
- 10.05 **Ambiguous Terms.** The By-Laws of TLSA, as amended hereby, are an updated version of the original By-Laws. To the extent any scrivener's errors were made in the reproduction of this document that render a provision ambiguous or invalid, the Board and the Members agree that to decipher such provision's actual meaning the original By-Laws will be referenced first.

I, Melissa Carver, Secretary of TILDEN LIVESTOCK SCHOLARSHIP ASSOCIATION, do hereby certify that the foregoing is a true and correct copy of the Bylaws of the TILDEN LIVESTOCK SCHOLARSHIP ASSOCIATION duly adopted by the Board of Directors as of the date so stated.

Melissa Carver
_____, Secretary