



Foundation **A**ppraisers **C**oalition of **T**exas

Foundation Appraisers Coalition of Texas, Inc. Bylaws

Effective May 9, 2025

TABLE OF CONTENTS

ARTICLE I. NAME AND PURPOSE

1.01 : NAME	1
1.02 : PURPOSE.....	1
1.03 : ORGANIZATION CLASSIFICATION.....	1

ARTICLE II. OFFICES

2.01 : PRINCIPLE OFFICE.....	1
2.02 : REGISTERED OFFICE AND REGISTERED AGENT.....	1

ARTICLE III. MEMBERSHIP

3.01: MEMBERSHIP TYPES	1
3.01.a: Chapter Members	1
3.01.b: Individual Members.....	2
3.01 c: Affiliate Members.....	2
3.02 : ONE MEMBERSHIP	2
3.03 : NO DISCRIMINATION.....	2
3.04 : MEMBERSHIP CRITERIA	2
3.05 : DUES REQUIRED	2
3.06 : TERMINATION OF MEMBERSHIP.....	2
3.07 : RESIGNATION.....	2

ARTICLE IV. MEETINGS OF MEMBERS

4.01 : ANNUAL MEETING.....	2
4.02 : SPECIAL MEETINGS.....	2
4.03 : REGULAR MEETINGS	2
4.04 : NOTICE OF MEETINGS.....	3
4.05 : QUORUM	3
4.06 : PROXY VOTING.....	3
4.07 : INFORMAL ACTION BY MEMBERS.....	3
4.08 : ATTENDANCE BY TELEPHONE, ETC.....	3
4.09 : VOTING RIGHTS	3

ARTICLE V. DIRECTORS

5.01: POWERS	3
5.02: NUMBER	4
5.03: QUALIFICATIONS; ELECTION	4
5.04: TENURE	4
5.05: MEETINGS; NOTICE	4
5.06: QUORUM.....	4
5.07: MANNER OF ACTING	4
5.08: VACANCIES.....	4
5.09: INFORMAL ACTION BY DIRECTORS	5
5.10: PRESIDING DIRECTOR.....	5
5.11: NO PROXIES.....	5
5.12: RESIGNATION.....	5
5.13: REMOVAL	5
5.14: REIMBURSEMENT.....	5

ARTICLE VI. EXECUTIVE COMMITTEE

6.01 : COMPOSITION..... 5
6.02 : MEETINGS 5
6.03 : TERM..... 5
6.04 : QUORUM 5
6.05 : CONTRACT AUTHORITY 6
6.06 : LEGISLATIVE MANAGEMENT TEAM 6

ARTICLE VII. OFFICERS

7.01: ELECTION..... 6
7.02: TERM 6
7.03 : VACANCIES 6
7.04 : REMOVAL 6
7.05 : DUTIES OF THE OFFICERS 6
 7.05.a: *President*..... 6
 7.05.b: *Immediate Past President*..... 7
 7.05.c: *Vice President*..... 7
 7.05.d: *Secretary/Treasurer*..... 7
7.06: REIMBURSEMENT 7

ARTICLE VIII. PARLIAMENTARY RULES

8.01: RULES 7

ARTICLE VIII. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

9.01 : CONTRACTS 7
9.02 : BUDGET 7
9.03 : CHECKS AND DRAFTS 7
9.04 : DEPOSITS 7
9.05: GIFTS 8

ARTICLE X. BOOKS AND RECORDS

10.01: BOOKS AND RECORDS 8

ARTICLE XI. FISCAL YEAR

11.01: FISCAL YEAR 8

ARTICLE XII. INDEMNIFICATION OF OFFICERS AND DIRECTORS

12.01: DEFINITIONS 8
12.02: SUCCESS REQUIRED..... 9
12.03: LIMITATIONS ON INDEMNIFICATION..... 9
12.04: NO INDEMNIFICATION IF LIABLE..... 9
12.05: BEST INTERESTS; LIABILITY DETERMINATION..... 9
12.06: COST AND EXPENSES COVERED 9
12.07: BOARD VOTE REQUIRED 10
12.08: DETERMINATION OF SPECIAL LEGAL COUNSEL..... 10
12.09: INDEMNIFICATION DUE TO COURT DETERMINATION..... 10
12.10: ADVANCES TO CURRENT DIRECTORS 11
12.11: OTHER ADVANCES 11
12.12: APPEARANCE AS A WITNESS 11
12.13: ADDITIONAL ADVANCES AND INDEMNITIES 11

12.14 : OTHER CIRCUMSTANCES	11
12.15 : MAY INSURE OBLIGATION	11
12.16 : TYPE OF INSURANCE COVERAGE	12
12.17 : INSURANCE DOES NOT REQUIRE INDEMNIFICATION	12
12.18 : INDEMNIFICATION REPORTING	12
 ARTICLE XIII. AMENDMENT TO BYLAWS AND ARTICLES	
13.01 : AMENDMENT TO BYLAWS	13
13.02 : AMENDMENT TO ARTICLES	13
13.03 : VOLUNTARY DISSOLUTION.....	13
 ARTICLE XIV. NOTICES	
14.01: NOTICE.....	13
 CERTIFICATE OF SECRETARY/TREASURER.....	 13

BYLAWS OF THE FOUNDATION APPRAISERS COALITION OF TEXAS, INC.
(A TEXAS NON-PROFIT CORPORATION)

ARTICLE I. NAME AND PURPOSE

1.01 These bylaws of the Foundation Appraisers Coalition of Texas, Inc. ("Bylaws") constitute the code of rules adopted by the Foundation Appraisers Coalition of Texas, Inc., a Texas non-profit corporation (the "Corporation") for the regulation and management of its affairs. For the purposes of these Bylaws, (i) capitalized words shall have the meanings ascribed herein; and (ii) words used in the singular shall include the plural, and words used in the plural shall include the singular.

1.02 The Corporation is formed to monitor and effect the appraisal profession through legislation, education, regulation and communication.

1.03 The Corporation shall not be operated for profit, and shall be organized as a business league within the meaning of Section 501(c)(6) of the Internal Revenue Code.

ARTICLE II. OFFICES

2.01 Principal Office. The Corporation's principal office shall be in Houston, Harris County, Texas, at a location selected by the board of directors ("Board") from time to time. The Corporation may have additional offices at such places as the Board may determine from time to time.

2.02 Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent, whose office is identical with such registered office, as required by the Texas Business Organizations Code (the "TBOC"). The registered office may be identical with the principal office of the Corporation in the State of Texas, but it is not necessary that such offices be identical. The Board may change the registered agent and address of the registered office from time to time.

ARTICLE III. MEMBERSHIP

3.01 Membership Types. The Corporation shall have Chapter Members, Individual Members and Affiliate Members.

a. Chapter Members. The Corporation shall have chapter members ("Chapter Members") who are individuals with membership in one or more of the Texas chapters ("Sponsor Chapters") of the following appraisal organizations (together with any other accredited national organization which hereafter has one or more Texas chapters, the "Sponsor Organizations"):

American Society of Farm Managers and Rural Appraisers;
and, Appraisal Institute

Subject to the provisions of these Bylaws, each Chapter Member, by virtue of his or her membership in a Sponsor Chapter, is automatically a member of the Corporation. The Board shall establish criteria and procedures for eligibility, application, admission and tenure of Chapter Members, which criteria and procedures shall be set forth in the policies and procedures of the Corporation hereafter adopted by the

Board (as amended from time, the “Policies and Procedures”). The Policies shall be consistent with these Bylaws and applicable law.

b. Individual Members. The Corporation shall have individual members (“Individual Members”) comprised of individuals who are State of Texas-licensed or certified appraisers and who are not Chapter Members. The Board shall establish criteria and procedures for eligibility, application, admission and tenure of Individual Members, which criteria and procedures shall be set forth in the Policies and Procedures.

c. Affiliate Members. The Corporation shall have affiliate members (“Affiliate Members”) comprised of individuals who meet the criteria and procedures for eligibility, application, admission and tenure set forth in the Policies and Procedures.

3.02 One Membership. No individual shall hold more than one membership in the Corporation, and membership rights are non-transferable, including by operation of law. No member, by virtue of membership status, shall have any right, title or interest in or to any property of the Corporation.

3.03 No Discrimination. No individual shall be denied membership in the Corporation on the basis of race, color, sex, age, national or ethnic origin, sexual orientation or religious preference, nor shall any member of the Corporation be discriminated against on any such basis.

3.04 Membership Criteria. All new applicants shall apply for membership in accordance with criteria set forth in the Policies and Procedures.

3.05 Dues Required. The Board shall have authority to establish and levy dues upon members, as set forth in the Policies and Procedures. Dues will be set annually.

3.06 Termination of Membership. The Board shall have authority to establish criteria for the termination of members as set forth in the Policies and Procedures.

3.07 Resignation. Affiliate Members and Individual Members may resign at any time upon written notice to the Secretary of the Corporation. Sponsor Chapters may resign at any time, subject to applicable provisions set forth in the Policies and Procedures. No resignation may be effective prior to the time such notice is received by the Corporation. The resignation of a member does not relieve the member from any obligations the member may have incurred with respect to the Corporation prior to the effective date of resignation.

ARTICLE IV. MEETINGS OF MEMBERS

4.01 Annual Meeting. An annual meeting of the members shall be held at the date, time and place which are established by the Board each year. At each annual meeting, the members in Good Standing (as defined in the Policies and Procedures) shall transact such business as may be properly brought before the meeting.

4.02 Special Meetings. Special meetings of the members for any purpose or purposes may be called by the President, two (2) members of the Executive Committee (as defined below) or at least forty percent (40%) of the members in Good Standing at such date, time and place as such person(s) may determine. Written or printed notice of any special meeting shall be delivered to each member in Good Standing by or at the direction of the person(s) calling the meeting. The purpose or purposes for which the meeting is called shall be stated in the notice. Business transacted at any special meeting shall be limited to the purpose(s) described in the notice of the meeting.

4.03 Regular Meetings. Regular meetings of the members shall be held in person or with virtual technologies and on such a schedule, as shall be determined by the Board. The Board shall determine the regular meeting times and places at least once a year, and publicize the schedule among the members. After the schedule is so publicized, no notice is required for regular meetings unless the schedule or place is changed by the Board.

4.04 Notice of Meetings. Subject to the provisions of the TBOC, written or printed notice stating the place, day and hour of the annual meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered. Notice of a change to the regular meetings must be given at least thirty (30) days before the meeting by written notice to each member. Notice of any special meetings must be given at least ten (10) business days before the meeting by written notice, by or at the direction of the person(s) calling the meeting, to each member entitled to vote at such meeting.

4.05 Quorum. A quorum shall be present at a meeting of the members if at least one-tenth (1/10th) of the members in Good Standing of the Corporation are represented in person. If a quorum is present, (a) a simple majority vote of the members in Good Standing present at the meeting shall control on all questions presented to the membership unless expressly stated to the contrary herein, and (b) the members represented in person at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any member or the refusal of any member represented in person to vote shall not affect the presence of a quorum at the meeting. The members in Good Standing represented in person at a meeting of members at which a quorum is not present may adjourn the meeting until such time and to such place as may be determined by a simple majority vote of such members in Good Standing.

4.06 Proxy Voting. Proxies shall not be allowed or used by the members.

4.07 Informal Action by Members. Any action required or permitted to be taken at any meeting of members may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing setting forth the action so taken shall have been signed by at least ten percent (10%) of the members in Good Standing. Any such written consent shall be executed, dated and filed with the Corporation in the manner required by the TBOC, and notice of such action shall be given in accordance with the TBOC.

4.08 Attendance by Telephone, Etc. Subject to the provisions of the TBOC and these Bylaws concerning notice of meetings and unless otherwise restricted these Bylaws, members may participate in and hold a meeting of members by means of conference telephone or similar communications equipment (including, without limitation, video conference, virtual technologies electronic transmission, Internet usage or other available remote communication) by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.09 Voting Rights. Each member in Good Standing shall be entitled to one vote on all matters coming before the members.

ARTICLE V. DIRECTORS

5.01 Powers. The Corporation's powers shall be exercised by or under the authority of, and the Corporation's business and affairs shall be managed under the direction of, the Board, which may exercise all powers of the Corporation and do all such lawful acts and things as are not by law, by the Articles of Incorporation, or by these Bylaws directed or required to be done by the members.

5.02 Number. The Corporation shall have a minimum of four (4) directors (“Directors”). The minimum number of directors may be increased or decreased only by valid amendment to these Bylaws, provided, an amendment to these Bylaws may not reduce the number of Directors to less than three (3). The immediate past president of the Corporation (“Immediate Past President”) shall serve as an ex-officio member of the Board and may vote on all matters which come before the Board. The ratio of Directors shall be two (2) to (1), with Chapter Members having the greater number (herein referred to as “Sponsor Directors”) and Individual Members having the lesser number (herein referred to as “At-Large Directors”). Each At-Large Director shall be an Individual Member unaffiliated with any of the Chapter Members.

5.03 Qualifications; Election. Subject to the provisions of the Policies and Procedures, each Sponsor Chapter may designate two (2) individuals to serve on the Board of Directors. Such individuals shall serve as Directors, without the need for election. At-Large Directors shall be elected by affirmative vote of a majority of the Directors following nomination pursuant to applicable provisions of the Policies and Procedures.

5.04 Tenure. Directors shall serve a term of two (2) years. The terms of the Directors and At-Large Directors shall begin January 1st of even numbered years. Term limits, if applicable, shall be set forth in the Policies and Procedures.

5.05 Meetings; Notice. Regular meetings of the Board shall be held on an as-needed basis, but not less often than two (2) times per calendar year, such two (2) regular meetings to be conducted in person or virtually. Special meetings of the Board for any purpose(s) may be called by the President or any four (4) Directors, and shall be called by the Secretary upon receipt of such a request. Notice of regular meetings must be given at least thirty (30) days before the meeting by written notice to each Director. Notice of any special meetings must be given at least seven (7) days before the meeting by written notice to each Director. Any Director may waive notice of any meeting. A Director’s attendance at any meeting will constitute a waiver of notice of such meeting unless the Director attends that 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 or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

5.06 Quorum. A simple majority of the Directors shall constitute a quorum. If a quorum is not present at any meeting of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. Except as provided in Section 5.05 above, any Director shall be deemed present at a meeting if attending by telephonic or other communication equipment by means of which all persons participating in the meeting can hear each other.

5.07 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number of Directors is required by law or by these Bylaws. Each Director shall have one vote. Minutes of all meetings and activities of the Board shall be taken and recorded in the permanent file.

5.08 Vacancies. Vacancies of Sponsor Directors shall be filled by the Chapter of the subject Sponsor Director. Vacancies of At-Large Directors shall be filled by affirmative vote of a majority of the Board present at the meeting. Vacancies shall be filled for the unexpired term.

5.09 Informal Action by Directors. Except as provided in Section 5.05 above, any action required by law to be taken at a meeting of the Board, and any action which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by a sufficient number of Directors as would be necessary to take that action at a meeting at which all of the Directors were present and voted. Any such written consents shall be executed, dated, and filed with the corporation in the manner required by the TBOC, and notice of such action shall be given in accordance with the TBOC.

5.10 Presiding Director. The President, or in his/her absence, the Vice President, shall preside at all meetings of the Board. In the absence of the President or Vice President, the Directors in attendance shall appoint an Officer or Director to act as presiding officer of the meeting by affirmative vote of a majority of the Directors present at the meeting.

5.11 No Proxies. Proxies shall not be allowed or used by the Board.

5.12 Resignation. A Director may resign at any time by giving written notice to the Secretary/Treasurer of the Corporation. The resignation is effective without acceptance when the notice is given to the Secretary/Treasurer of the Corporation, unless a later effective time is specified in the notice. No resignation may be effective prior to the time such notice is received by the Corporation.

5.13 Removal. A Director may be removed at any time, with or without cause, by affirmative vote of a two-thirds (2/3) majority of the Board present at a meeting (“Supermajority”). In addition, (i) the failure of a Director to remain in Good Standing, or (ii) a Director’s failure to attend, without an excuse approved by the President, two (2) regularly scheduled meetings of the Board in one year, shall constitute a basis for removing that Director from the Board. Written notice shall be given to any person whose continued service in office has been called into question at least thirty (30) days in advance of the meeting at which removal is to be considered by the Board. At that meeting the person whose removal from office is in question shall have the right to be heard by the Board before the vote on removal.

5.14 Reimbursement. A Director may be reimbursed for actual expenses incurred in the performance of duties as prescribed in the Policies and Procedures.

ARTICLE VI. EXECUTIVE COMMITTEE

6.01 Executive Committee. The Corporation shall have an executive committee (“Executive Committee”) comprised of representatives designated by each of the Sponsor Organizations, each of which shall provide a written designation of Executive Committee representative who is a Director to the Secretary as provided in the Policies and Procedures.

6.02 Meetings. A meeting of the Executive Committee may be called by the President or by any two (2) other members of the Executive Committee. Seven (7) days prior notice is required to be given to each member of the Executive Committee by written notice delivered personally, regular or certified mail, facsimile, electronic transmission (inclusive of email) or courier. The Executive Committee shall meet at least once per calendar quarter and shall provide quarterly written reports to the Board.

6.03 Term. Executive Committee members shall serve terms of two (2) years. Term limits, if applicable, shall be set forth in the Policies and Procedures.

6.04 Quorum. At Executive Committee meetings, a quorum shall be a simple majority of the members, except as otherwise provided in the Policies and Procedures. Any meeting of the Executive

Committee at which a quorum is present shall have full authority to transact all business properly before such committee upon the affirmative vote of a majority of the members present at the meeting.

6.05 Contract Authority. The Executive Committee, acting by and through the President, shall have the authority to enter into contracts with individuals or entities in accordance with the Policies and Procedures. The Executive Committee may set compensation for contracted individuals or entities in accordance with the Policies and Procedures.

6.06 Legislative Management Team. The President shall have the authority to designate a legislative management team, which shall be comprised of the members of Executive Committee and up to two (2) At-Large Directors selected in accordance with the Policies and Procedures.

ARTICLE VII. OFFICERS

7.01 Election. The Executive Committee shall nominate the officers (“Officers”) of the Corporation. Individuals nominated as Officers are required to be members of the Executive Committee at the time of nomination and otherwise meet the requirements set forth in the Policies and Procedures. Officers shall include a President, Vice President, Secretary/Treasurer. The Board may elect and appoint such other officers or assistant officers as it desires, and shall assign any such officers such duties as the Board deems appropriate. The Officers nominated by the Executive Committee shall be presented at a regularly called meeting of the Board. At such meeting, other members of the Executive Committee may be nominated from the floor by members of the Board. The Board shall elect the Officers at the same meeting by affirmative vote of a majority of the Directors present at the meeting.

7.02 Term. The term of office for each Officer of the Corporation shall be two (2) years. No office holder shall serve more than one (1) consecutive term in any office. The term shall begin on January 1st of even-numbered years. The same person may not serve concurrently as President, Vice President, Secretary and/or Treasurer, except as provided in the Policies and Procedures.

7.03 Vacancies. If an Officer vacancy occurs due to resignation, removal or otherwise, the Board shall fill the vacancy by affirmative vote of a majority of the Directors present at the meeting. The individual elected in this manner shall be a current Director and shall serve the remainder of the unexpired term of the vacating Officer.

7.04 Removal. An Officer may be removed at any time, with or without cause, by affirmative vote of a Supermajority of Directors present at a meeting of the Board. In addition, an Officer who fails to attend two (2) consecutive regularly scheduled Board of Director and/or Executive Committee meetings may be removed from office by affirmative vote of a Supermajority. Written notice shall be given to any person whose continued service in office has been called into question at least thirty (30) days in advance of the meeting at which removal is to be considered by the Board. At that meeting the person whose removal from office is in question shall have the right to be heard by the Board before the vote on removal.

7.05 Duties of the Officers.

a. President. The President shall be the chief executive officer of the Corporation. The President shall preside at, and act as chair of all meetings of the Board and of the Executive Committee. The President, with the approval of the Executive Committee by simple majority vote, shall have the power to make and sign contracts and agreements in the name and on behalf of the Corporation and shall have the responsibility and authority for the general control and management of the business and affairs of the Corporation. The President shall see that the books, records, statements, reports and certificates required by the TBOC or any other laws applicable to the Corporation are properly kept,

made and filed according to law and shall generally do and perform all acts incident to the office of President which are authorized or required by the TBOC or applicable law. The President shall become the Immediate Past President of the Corporation for the term which follows the term which he/she has served as President.

b. Immediate Past President. The Immediate Past President shall provide advice and counsel to the President and the Board.

c. Vice President. The Vice President shall be vested with all of the powers and duties of the President in the President's absence or disability. The Vice President shall have such other powers and duties as may be prescribed by the Board or the President.

d. Secretary/Treasurer. The Secretary/Treasurer shall, at the direction of the President, give or cause to be given notice of all meetings of members of the Board and the Executive Committee, and all such other notices required by law or by these Bylaws. They shall record all of the proceedings of the meetings of the Board and the Executive Committee, and shall perform such other duties as may be assigned to the Secretary by the Board or the President. The Secretary/Treasurer shall determine whether there is a quorum at meetings. They shall have the custody of all funds, securities, evidences of indebtedness and other valuable documents of the Corporation. The Secretary Treasurer shall receive and give or cause to be given receipts and acquittance for money in the accounts of the Corporation as provided by the Policies and Procedures and shall discharge any other duties the Board may require.

7.06 Reimbursement. An Officer may be reimbursed for actual expenses incurred in the performance of his or her duties as prescribed in the Policies and Procedures.

ARTICLE VIII. PARLIAMENTARY RULES

8.01 Rules. The rules of parliamentary procedure set forth in Robert's Rules of Order, Newly Revised shall govern all proceedings of the Corporation, including the regular meetings of the membership and meetings of the Board, subject to such special rules as may be adopted at each meeting by a majority vote of those present.

ARTICLE IX. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

9.01 Contracts. The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

9.02 Budget. The Secretary/Treasurer shall present an annual budget for approval by the Board.

9.03 Checks and Drafts. All checks, drafts and other orders of payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall require signature by Treasurer. Any expenditure not within the annual budget approved by the Board shall be authorized and approved in advance by the Board. Any budgeted expenditure which exceeds One Hundred and No/100 Dollars (\$100.00), shall be authorized and approved in advance by the Executive Committee.

9.04 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may approve.

9.05 Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any specific or special purpose of the Corporation.

ARTICLE X. BOOKS AND RECORDS

10.01 Books and Records. The Corporation shall maintain true and accurate financial records with full and correct entries made with respect to all financial transactions of the Corporation, including all income and expenditures, in accordance with generally accepted accounting practices. The Board shall annually prepare or approve a report of the financial activity of the Corporation for the preceding year, which report shall conform to tax accounting standards and shall conform to generally accepted accounting practices (GAAP) and which shall include a statement of support, revenues, and expenses and changes in fund balances, a statement of functional expenses and balance sheets for all funds. The Corporation shall also keep minutes of the proceedings of the Board, and shall keep all records at the registered or principal office, or at the office of the Secretary of the Corporation, for at least three years. All financial books and records of the Corporation may be inspected by the public for any proper purpose at any reasonable time during normal business hours.

ARTICLE XI. FISCAL YEAR

11.01 Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

ARTICLE XII. INDEMNIFICATION OF OFFICERS AND DIRECTORS

12.01 Definitions. As utilized in this Article, the following terms shall have the meanings indicated:

a. **“Corporation”** includes any domestic or foreign predecessor entity of the Corporation in a merger, conversion, consolidation, or other transaction in which the liabilities of the predecessor are transferred or allocated to the Corporation by operation of law and any other transaction in which the Corporation assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

b. **“Director”** means any person who is or was a director of the Corporation and any person who, while a director of the Corporation, is or was serving at the request of the Corporation as a partner, director, officer, venturer, proprietor, trustee, employee, administrator, agent or similar functionary at another foreign or domestic corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. A person represents the Corporation at an employee benefit plan if the performance of the person’s official duties to the Corporation also imposes duties on or otherwise involves service by the person to the plan, participants in, or beneficiaries of the plan.

c. **“Expenses”** include court costs and reasonable attorney’s fees.

d. **“Official capacity”** means (i) when used with respect to a director, the office of director in the Corporation or the exercise of authority by or on behalf of the director under the TBOC or the governing documents of the Corporation, and (ii) when used with respect to a person other than a director, the elective or appointive office in the Corporation held by the officer, or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation; however, notwithstanding any contrary provision of this Section 12.01.d., “official capacity” as defined in both (i) and (ii) above does not include service for any other foreign or domestic corporation or any partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

e. **“Proceeding”** means any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

12.02 Success Required. The Corporation shall indemnify a Director or Officer of the Corporation in connection with a proceeding in which he or she is a named defendant or respondent because he or she is or was a Director or Officer if the Director or Officer has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

12.03 Limitations on Indemnification. The Corporation shall indemnify a person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a Director only if it is determined in accordance with Section 12.07 below that, with respect to amounts described in section 12.06.a. below, the amounts actually incurred by the person in connection with the proceeding (other than a judgment) are reasonable, and that the person:

- a. conducted himself or herself in good faith;
- b. reasonably believed (i) in the case of conduct in his or her official capacity as a Director , that his or her conduct was in the Corporation’s best interests, and (ii) in all other cases, that his or her conduct was at least not opposed to the Corporation’s best interests; and
- c. in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

This Bylaw provision shall be deemed to be the requisite determination that indemnification should be paid to persons who meet the above standards contemplated in the TBOC.

12.04 No Indemnification if Liable. Except as may otherwise be permitted in Section 12.06.b. below, a Director shall not be indemnified by the Corporation as provided in Section 12.03 hereof for obligations resulting from a proceeding (i) in which the Director 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 (ii) in which the person is found liable to the Corporation.

12.05 Best Interests; Liability Determinations. Action taken or omitted by a Director with respect to an employee benefit plan in the performance of the person’s duties for a purpose reasonably believed by the person to be in the interest of the participants and beneficiaries of the plan is for a purpose that is not opposed to the best interests of the Corporation. Action taken or omitted by a Director serving the Corporation for another enterprise described in Section 12.01.b. hereof for a purpose reasonably believed by the Director to be in the interest of the other enterprise or its owners or members is for a purpose that is not opposed to the best interests of the Corporation. The termination of a proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in Section 12.03 hereof. A person shall be deemed to have been found liable in respect of any claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by law.

12.06 Costs and Expenses Covered.

- a. Subject to subsection b. below, a person shall be indemnified by the Corporation as provided in Section 12.03 hereof against judgments (including arbitration awards), penalties, settlements,

finances and excise or similar taxes (except as expressly excluded in Section 12.16 below), including an excise tax assessed against the person with respect to an employee benefit plan, and reasonable expenses actually incurred by the person in connection with the proceeding.

b. Notwithstanding any contrary provision of subsection a above, if the person to be indemnified with respect to a proceeding is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification described in Section 12.03 hereof subsection a above:

(i) is limited to reasonable expenses actually incurred by the person in connection with the proceeding;

(ii) shall not include a judgment, a penalty, a fine and an excise or similar tax, including an excise tax assessed against the person with respect to an employee benefit plan; and

(iii) shall may not be made in relation to a proceeding in which the person has been found liable for: (A) willful or intentional misconduct in the performance of the person's duty to the Corporation; (B) breach of the person's duty of loyalty owed to the Corporation; or (C) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Corporation.

12.07 Board Vote Required. Determination of the permissibility of indemnification under Section 12.03 above, and the reasonableness of amounts (other than judgments) actually incurred, must be made (i) by a majority vote of directors who at the time of the vote are disinterested and independent, regardless of whether the directors who are disinterested and independent constitute a quorum; (ii) by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of Directors who at the time of the vote are disinterested and independent, regardless of whether the Directors who are disinterested and independent constitute a quorum, and consisting solely of one or more Directors who at the time of the vote are disinterested and independent; or (iii) by special legal counsel selected by the Board or a committee of the Board by vote as set forth in clause (i) or (ii) of this Section 12.07, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

12.08 Determination by Special Legal Counsel. Notwithstanding any contrary provision of Section 12.07 above, if the determination that indemnification is permissible is made by special legal counsel described in Subsection 12.07(iii) above, determination as to reasonableness of expenses must be made by special legal counsel described in Subsection 12.07(iii) above.

12.09 Indemnification Due to Court Determination. If, upon application of a Director or Officer of the Corporation, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Director or Officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he or she has met the requirements set forth in Section 12.03 above or has been found liable in the circumstances described in Subsection 12.04 above, then in addition to any indemnification otherwise provided in these Bylaws, the Corporation shall indemnify the Director or Officer to such further extent as the court shall determine that the person is fairly and reasonably entitled in view of all the relevant circumstances, including an award of the expenses incurred in securing the indemnification; but if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, without regard to whether the benefit resulted from an action taken in the person's official capacity, the indemnification shall in all cases be limited to reasonable amounts described in Subsection 12.06.a. Above.

12.10 Advances to Current Directors. Reasonable expenses incurred by a currently serving Director who was, is or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding and without the determinations specified in Sections 12.03 or 12.07 above, after the Corporation receives:

a. a written affirmation by the Director of the Director's good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article; and

b. a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that the Director has not met that standard or it is ultimately determined that indemnification of the Director against expenses incurred by him or her in connection with that proceeding is prohibited by Section 12.06.b. above.

The written undertaking required by this Section 12.10 must be an unlimited general obligation of the Director, and may, but need not be, secured. It may be accepted by the Corporation without regard to the Director's ability to make repayment.

12.11 Other Advances. Reasonable expenses incurred by a former Director, or a current or former Officer, employee or agent who was, is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding on terms the Corporation considers appropriate.

12.12 Appearance as a Witness. Notwithstanding any other provision of this Article, the Corporation shall pay or reimburse reasonable expenses incurred by a director in connection with his or her appearance as a witness or other participation in a proceeding relating to the Corporation at a time when the director is not a named defendant or respondent in the proceeding.

12.13 Additional Advances and Indemnities. In addition to the required indemnification of Officers provided in Sections 12.02 and 12.09 above, the Corporation may indemnify, advance and reimburse expenses to an Officer, employee or agent of the Corporation to the same extent and in the same manner that it may indemnify, advance and reimburse expenses to Directors under this Article, and such a person may seek such indemnification, advancement or reimbursement to the same extent as could a Director of the Corporation.

12.14 Other Circumstances. The Corporation may indemnify and advance expenses to an Officer, employee or agent and who is not a Director to such further extent, consistent with law, as may be provided by general or specific action of the Board, contract or as permitted or required by common law.

12.15 May Insure Obligations.

a. The Corporation may purchase or procure, or establish and maintain insurance or another arrangement to indemnify or hold harmless any person who is or was a Director, Officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a Director, Officer, partner, manager, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify the person against that liability under other provisions of this Article. This Bylaw provision shall be deemed to be the requisite approval for such insurance contemplated in the TBOC.

b. Without limiting the power of the Corporation to purchase or procure, or establish and maintain any kind of other arrangement, the Corporation may, for the benefit of persons described in Subsection 12.15.a.: (i) create a trust fund; (ii) establish any form of self-insurance, including a contract to indemnify; (iii) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation; or (iv) establish a letter of credit, guaranty or surety arrangement.

c. The insurance may be purchased or procured or established and maintained with any insurer or another arrangement may be procured, maintained or established within the Corporation or with any insurer or other person deemed appropriate by the Board, regardless of whether all or part of the stock, securities or other ownership interest in the insurer or other person is owned in whole or part by the Corporation. In the absence of actual 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 shall be conclusive, and the insurance or arrangement shall not be voidable and shall 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.

12.16 Type of Insurance Coverage. The coverage of any liability insurance purchased by the Corporation pursuant to Section 12.15 above may include coverage for the indemnifiable expenses described elsewhere in this Article, as well as judgments, fines, settlements, penalties, taxes and expenses of correction, including, if the Corporation is ever considered a private foundation, such expenses as may be related to taxes, penalties and expenses of correction imposed under Chapter 42 of the Internal Revenue Code of 1986, as amended (the "Code"). However, if the Corporation is ever considered a private foundation, and coverage for judgments, fines, settlements, penalties, taxes and expenses of correction is included in any liability insurance so purchased by the Corporation, the Corporation shall request the insurance carrier from whom such insurance is purchased to furnish the Corporation with the portion of any insurance premium payable that is attributable to such coverage of a foundation manager's expenses for (i) any penalty, tax (including a tax imposed by Chapter 42 of the Code), or expense of correction, (ii) any expense not reasonably incurred by such a manager in connection with a civil judicial or civil administrative proceeding arising out of such manager's performance of services on behalf of the Corporation, or (iii) any expense resulting from an act or failure to act with respect to which such manager has acted willfully and without reasonable cause. That portion of such premium as is so designated by the insurance carrier shall be allocated pro rata among the Directors, Officers and employees of the Corporation, as well as any other party actually included within such coverage pursuant to the provisions of Section 12.15 above, and included, where applicable, in the compensation paid to each such Director, Officer, employee or other party by the Corporation, all as described in Treas. Reg. § 53.4941(d)-2(f).

12.17 Insurance Does Not Require Indemnification. No purchase of insurance, indemnification or other action contemplated or allowed by this Article shall be construed to allow or permit any such purchase, indemnification or action, except as such is within any limitations placed on the Corporation as a tax exempt organization under the provisions of the Code, the TBOC or other laws of the State of Texas, or any other applicable rule or regulation.

12.18 Indemnification Reporting. The Corporation Board shall report to the members in writing regarding any indemnification or advance of expenses made pursuant to this Article. Any such report must be made with or before the notice or waiver of notice of the next meeting of the members and before the next submission to the members of any consent to action without meeting; provided, in all events, such report must be made not later than the first anniversary date of the indemnification or advance.

ARTICLE XIII. AMENDMENT TO BYLAWS AND ARTICLES

13.01 Amendment to Bylaws. The members delegate to the Board the power to alter, amend, restate or repeal these Bylaws and to adopt new Bylaws. The Board may so act by a Supermajority vote; provided that any proposed amendment, revision or new Bylaws shall be presented in writing to each Director at least ten (10) days prior to such meeting.

13.02 Amendment to Articles. The members delegate to the Board the power to alter, amend, restate, repeal and/or re-enact the Articles of Incorporation. The Board may so act by a Supermajority vote; provided that any proposed amendment, revision, restatement or re-enactment shall have been presented in writing to each Director at least ten (10) days prior to such meeting.

13.03 Voluntary Dissolution. The Corporation may be dissolved and its affairs wound up if the Board adopts a resolution recommending dissolution and, following written notice as required by law, a resolution to dissolve the Corporation is approved by affirmative vote of two-thirds (2/3) of the members present at a regular meeting or special meeting called for such purpose. Upon adoption of such resolution by the members, the Corporation shall cease to conduct its affairs except as necessary for the winding up thereof, shall give such notices as required by law, and shall distribute its assets in accordance with the TBOC, first to pay liabilities and obligations of the Corporation and thereafter to any non-profit, tax- exempt or charitable organization (as defined in Section 501(c)(3), Internal Revenue Code of 1954, as amended) as the Board shall designate.

ARTICLE XIV. NOTICES

14.01 Notice. Any notices to be delivered pursuant to these Bylaws may be given by personal delivery, facsimile, electronic mail or by regular mail addressed to the person to be notified at the last address shown in the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the person entitled thereto at such person’s address as it appears on the records of the Corporation, with postage thereon paid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile. All other notices shall be deemed delivered upon receipt by the addressee.

CERTIFICATE OF SECRETARY/TREASURER

The undersigned does hereby certify that (i) (s)he is the duly elected and qualified Secretary of Foundation Appraisers Coalition of Texas, Inc., a Texas corporation (the “Corporation”), and (ii) the foregoing is a true and correct copy of the Bylaws of the Corporation adopted by the Board on the _____ day of _____, 20__.

, Secretary/Treasurer