

**RESTATED AND AMENDED BYLAWS OF
TEXAS GUARANTEED STUDENT LOAN CORPORATION,
A TEXAS NONPROFIT CORPORATION**

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ARTICLE I

These bylaws (the "**Bylaws**") constitute the code of rules adopted by the board of directors (the "**Board**") of Texas Guaranteed Student Loan Corporation, a Texas nonprofit corporation without members (the "**Corporation**"), for the regulation and management of its affairs, in accordance with the provisions of the Texas Business Organizations Code, as amended from time to time (the "**TBOC**").

**ARTICLE II
PURPOSE**

The Corporation is organized for any and all lawful purposes, including, without limitation:

A. To administer a guaranteed student loan program as a guaranty agency under the Higher Education Act of 1965, as amended, 20 U.S.C. § 1071, et seq., to assist qualified students in receiving a postsecondary education, and to provide any necessary and desirable services related to such a program, including cooperative awareness efforts with appropriate educational and civic associations designed to disseminate postsecondary education awareness information, including information regarding student financial aid and the Federal Family Education Loan Program, and other relevant topics including the prevention of student loan default and to provide information, products, and services related to higher education access and success.

B. Exclusively for charitable, religious, educational, and scientific purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code (the "**Code**"), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.

C. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article II. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a Corporation, contributions to which are deductible under section 190(c)(2) of the Code.

D. As provided by Section 22.304 of the TBOC, after all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged in accordance with Section 11.053 of the TBOC upon the dissolution of the Corporation,

(1) property held by the Corporation on a condition requiring return, transfer or conveyance because of the winding up or termination shall be returned, transferred or conveyed in accordance with that requirement; and

(2) the remaining property of the Corporation shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501(c)(3) of the Code, or described by Section 190(c)(1) or (2) of the Code, under a plan of distribution adopted under the TBOC.

E. A district court of the county in which the Corporation's principal office is located shall distribute to one or more organizations exempt under Section 501(c)(3) of the Code, or described by Section 190(c)(1) or (2) of the Code, the property of the Corporation remaining after a distribution of property under a plan of distribution under the TBOC. The court shall make such distribution in the manner the court determines will best accomplish the general purposes for which the Corporation was organized.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 Powers. The Board is vested with the management of the business and affairs of the Corporation, subject to the TBOC; the Corporation's Certificate of Formation, as it may be amended or restated from time to time (the "*Certificate*"); and these Bylaws.

Section 3.2 Qualifications. A directorship shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Employees of the Corporation are not eligible to serve on the Board.

Section 3.3 Number of Directors. Upon conversion, the Board shall have six directors until the first annual meeting of the Board (the "**Annual Meeting**"). Thereafter, the number of directors constituting the Board shall be any odd number of directors of three or greater, but no more than 11, as established by the Board by resolution from time to time. The number of directors constituting the Board may be determined from time to time by the Board, but in no event shall a decrease have the effect of shortening the term of an incumbent director or decreasing the total number of directors to fewer than three directors.

Section 3.4 Term of Directors. Directors shall be divided with respect to the time for which they hold office into three classes, as nearly equal in number as possible and designated Class I, Class II, and Class III. The initial division of the Board into classes shall be made by the Board. The term of the initial Class I Directors shall expire at the second Annual Meeting; the term of the initial Class II Directors shall expire at the third Annual Meeting; and the term of the initial Class III Directors shall expire at the fourth Annual Meeting. At each Annual Meeting, successors to the class of directors whose term expires at that Annual Meeting shall be elected to hold office for a term expiring at the Annual Meeting to be held in the third year following the year of their election. If the number of directors is changed, any increase or decrease shall be apportioned by the Board among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall serve no more than two full consecutive terms,

but may reapply to be considered for election following a vacation of service of at least one year. Periods of service to the Board prior to the conversion of the Corporation and partial terms shall not be considered to determine term limitations.

Section 3.5 Filling of Vacancies. Any newly-created directorships resulting from an increase in the number of directors and any vacancy occurring in the Board resulting from the death, resignation, retirement, disqualification, or removal of a director may be filled by a majority vote of the directors then in office, even if less than a quorum, or by a sole remaining director, and any director so chosen shall hold office for the remainder of the full term of the class of directors to which the new directorship was added or in which the vacancy occurred and until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification, or removal.

Section 3.6 Resignation. Any director may resign at any time by delivering written notice to the Board Chair. Such resignation shall take effect upon receipt of the notice or at any later time specified in the notice.

Section 3.7 Removal. Any director may be removed with or without cause, at any time, by a majority of the entire Board, at a regular meeting, or at a special meeting called for that purpose. Any director under consideration for removal must first be notified of the consideration by written notice at least five days before the meeting at which the vote takes place.

Section 3.8 Compensation. Directors may receive compensation for their services, as recommended by the Compensation Committee and set by a resolution of the Board, provided that the amount of such compensation is determined by a process, also recommended by the Compensation Committee and set by the Board, which results in setting reasonable compensation to Directors as required under TBOC § 22.054 and Section 4958 of the Code. Directors may also be reimbursed for actual, reasonable travel expenses incurred in the performance of their duties for the Corporation so long as the same are incurred, submitted for payment, and paid in accordance with the Travel Policy of the Corporation. Directors may also be reimbursed for actual, reasonable expenses incident to their role directors that they are asked to incur based upon the advice and consent of the Board Chair, provided the same are approved in advance by the Board Chair ("Incidental Expenses"). The Board delegates to the President the review and authorization of payment of travel expenses of directors in accordance with the Travel Policy and the payment of Incidental Expenses. Directors may be reimbursed for actual, reasonable expenses, of types other than for travel and Incidental Expenses, incurred in the performance of their duties for the Corporation so long as the same are incurred with the prior approval of the Board Chair and as long as the Executive Committee or a majority of disinterested directors approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any director.

ARTICLE IV BOARD MEETINGS

Section 4.1 Place of Board Meetings. Meetings of the Board shall be held at such places, within or without the State of Texas, as may from time to time be fixed by the Board.

Section 4.2 Annual Meeting. An Annual Meeting of the Board, beginning with the year 2013, shall be held each year during the month of December at such date, time, and place as determined by the Board. At the Annual Meeting, the Board shall elect directors, officers, the Board Chair, and the Vice Chair, and shall transact such other business as may properly come before the meeting. Notice of the date, time, and place of the Annual Meeting shall be given to each director personally or by regular mail, telephone, facsimile, or e-mail at least thirty (30) days before the Annual Meeting.

Section 4.3 Regular Meetings. The Board may provide for regularly scheduled, periodic meetings of the Board by resolution stating the time and place of such meetings.

Section 4.4 Special Meetings. Special meetings of the Board (a) may be called by the Board Chair; or (b) on the written request of two or more directors. Notice of the date, time and place of special meetings of the Board shall be given to each director personally or by regular mail, telephone, facsimile, or e-mail at least 24 hours prior to the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as otherwise required by law, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice of the meeting.

Section 4.5 Waiver of Notice. Attendance by a director at any meeting of the Board for which the director did not receive the required notice will constitute a waiver of notice of such meeting unless the director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

Section 4.6 Quorum; Required Vote. A majority of the number of directors shall constitute the Board. At Board meetings where a quorum is present, a majority vote of the directors present shall constitute an act of the Board, unless a greater number is expressly provided by applicable law, the Certificate, or these Bylaws. If a quorum shall not be present at any meeting, a majority of directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.7 Actions Without a Meeting. Any action required or permitted to be taken at any meeting of the Board, or of any committee designated by the Board, may be taken without a meeting, without prior notice and without a vote, if a written consent, stating the action to be taken, is signed by at least two-thirds of the directors. Such written consent shall state the date of each director's or committee member's signature. Prompt notice of the taking of an action by directors or a committee without a meeting by less than unanimous written consent shall be given to each director or committee member who did not consent in writing to the action.

Section 4.8 Meetings by Remote Communications Technology. A meeting of the Board or any committee designated by the Board may be held by means of a remote electronic communications system, including teleconferencing or videoconferencing technology, or the Internet, only if the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. If voting is to occur at the meeting, the Secretary of the meeting shall take reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified and keep a record of any vote or other action taken. The preference of the Board is for

each member to attend in person. A director must attend at least half the regular meetings of the Board in person unless attendance by remote communications technology for additional meetings is approved by the Board Chair.

ARTICLE V COMMITTEES OF THE BOARD

Section 5.1 Executive Committee. The Board may by resolution establish, name, fill vacancies in, change the membership of, or dissolve an executive committee to have and exercise the authority of the Board in the management of the Corporation (the "*Executive Committee*"). Such Executive Committee shall consist of the Board Chair and the Vice Chair, who shall be elected to those positions by the Board of Directors. In electing each of the foregoing Board positions, Directors also elect such candidates to service on the Executive Committee. The Chair of each of the Committees described under Section 5.2 of the Bylaws* shall also be members of the Executive Committee in addition to any additional members of the Executive Committee in addition to any additional members elected by the Board.

*These standing committees are, for reference, the Finance and Audit Committee, the Compensation and Benefits Committee, and the Nominating and Governance Committee.

Section 5.2 Committees with the Authority of the Board. The Executive Committee, the Nominating and Governance Committee, the Compensation and Benefits Committee, and the Finance and Audit Committee, if any, are all committees within this section to the extent provided by resolution and or within the subject committee's charter. The Board may establish, name, fill vacancies in, change the membership or dissolve such other committees that have the authority of the board in the management of the Corporation. The Nominating Committee, if any, shall nominate committee members for such Committees, including to fill vacancies in and change the membership of Committees with Board authority. The Board may establish or dissolve such other committees that have the authority of the Board in the management of the Corporation. Members of each of these Committees shall be determined by the vote of the Board. Such Committees shall have at least two members.

Section 5.3 Committees without the Authority of the Board. The Board Chair may establish, name, fill vacancies in, change the membership of, or dissolve such other committees that do not have the authority of the Board in the management of the Corporation. Each such committee shall consist of two or more directors.

Section 5.4 Procedures. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee 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 committee, except as otherwise specifically provided by applicable law, the Certificate, these Bylaws, or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present.

Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend, and repeal rules for the conduct of its business. Each committee designated pursuant to this Article V shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

ARTICLE VI

OFFICERS AND CORPORATE OFFICIALS

Section 6.1 Roster of Officers. The Corporation shall have a President and Secretary, each of which shall be elected by the Board in accordance with Section 6.3. The Corporation may have, at the discretion of the Board, such other officers as may be appointed by the directors. One person may hold two or more offices, except that the offices of President and Secretary may not be held by the same person.

Section 6.2 Board Chair. The Corporation shall have a Board Chair and a Board Vice Chair, each of whom shall be elected annually by the Board in accordance with Section 4.2.. The Board Chair and Vice Chair shall each have the duties set forth in Section 6.5, and each shall be a member of the Board, but neither shall be considered to be an officer of the Corporation.

Section 6.3 Election and Removal of Officers and Officials. The Board Chair, Vice Chair, and Secretary shall each be elected annually by the Board at the Annual Meeting and shall hold office until the next Annual Meeting and until their successors are duly elected and qualified or until their earlier death, resignation, retirement, disqualification, or removal from office. The President shall be elected for a three- year term and until his or her successor has been elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal from office Any officer and/or the Board Chair may be removed, with or without cause, by the Board.

Section 6.4 Vacancies. If a vacancy occurs during the term of office for any officer, the Board shall elect, as soon as practical, a new officer to fill the position for the remainder of the term.

Section 6.5 Board Chair. The Board Chair shall preside at all meetings of the Board, appoint committees authorized by Section 5.3, and shall exercise such further supervisory powers as may be given to the Chair by the Board. The Board Chair, with the assistance of the President, shall be responsible for identifying and recruiting appropriate Board member candidates, as such becomes necessary from time-to-time, for the consideration of the Board of Directors or the Nominating Committee, as the case may be. The Board Chair shall be a member of the Board and shall not be deemed to be an officer of the Corporation. The Vice Chair shall preside at all meetings of the Board in the absence of the Chair and shall perform all duties of the Chair when the office of Chair is vacant. The Vice Chair shall perform such other duties of the Chair as designated by the Board in the extended absence, refusal, or incapacity of the Chair.

Section 6.6 President. The President shall perform all duties incident to such office and such other duties as may be provided in these Bylaws or as may be prescribed from time-

to-time by the Board in a job description approved by the Board. The duties of the President include:

(a) The President shall be the principal executive officer of the Corporation and shall supervise and control the business and affairs of the Corporation and exercise such supervisory powers as may be given him or her by the Board.

(b) The President shall, with the advice of the Board and in accordance with the requirements of these Bylaws, set the agenda for each meeting of the Board.

(c) The President will perform all other duties incident to such office and such other duties as may be provided in these Bylaws or as may be prescribed from time to time by the Board.

Section 6.7 Secretary. The Secretary shall perform all duties incident to the office of Secretary and such other duties as may be required by law, the Certificate or these Bylaws or as may be prescribed by Board. The duties of the Secretary shall include that:

(a) The Secretary shall have general charge of the records of the Corporation and shall perform all duties incident to the office of secretary and such other duties as may be required by law, the Certificate or these Bylaws or as may be prescribed by the Board.

(b) The Secretary shall give or cause to be given such notice as is required of meetings of the Board. The Secretary shall certify official corporate documents.

(c) The Secretary shall attest to and keep the Bylaws and other legal records of the Corporation at the principal office of the Corporation.

(d) The Secretary shall prepare, or cause the preparation of, minutes of all meetings of the Board and committees, and shall keep copies of all minutes at the principal office of the Corporation.

(e) The Secretary shall, with the approval of the Board, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.

(f) The Secretary shall ensure that all the corporate records and books of the Corporation are made available to the public during regular business hours for inspection and copying as provided by and subject to Section 22.353 of the TBOC.

If the Secretary is unavailable to attend a meeting, the Board shall elect a Secretary of the meeting who shall perform the responsibilities of the Secretary.

ARTICLE VII MEMBERS

Section 7.1 No Members. The Corporation shall not have members.

ARTICLE VIII INDEMNIFICATION

Section 8.1 Indemnification of Directors and Former Directors. Each person who was or is a respondent or defendant, or is threatened to be made a respondent or defendant, in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, or any inquiry or investigation that could lead to such an action, suit, or proceeding (any of the foregoing, a "*proceeding*"), whether or not by or in the right of the Corporation, because such person is or was a director of the Corporation or, while a director of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, administrator, agent, or similar functionary (a "*representative*") of another foreign or domestic corporation, limited or general partnership, limited liability company, business trust, real estate investment trust, joint venture, joint stock company, cooperative association, bank, insurance company, credit union, association, proprietorship, trust, employee benefit plan, other enterprise, or other organization (each, an "*organization*") (hereinafter, a "*Covered Director*") shall be indemnified by the Corporation to the fullest extent authorized or permitted by applicable law, as the same exists or may hereafter be changed, against all judgments (including arbitration awards), court costs, penalties, excise and similar taxes (including excise taxes assessed against such person with respect to an employee benefit plan), fines, settlements, reasonable attorneys' fees, and other reasonable expenses (all of the foregoing, "*expenses*") actually incurred by such person in connection with such proceeding, and such right to indemnification shall continue as to a person who has ceased to be a director or representative and shall inure to the benefit of his or her heirs, executors, and administrators. Without limiting the foregoing, the right to indemnification hereunder includes the right to such indemnification if the Covered Director has met the standard of conduct under Section 8.101(a)(1) of the TBOC. IT IS EXPRESSLY ACKNOWLEDGED THAT THE INDEMNIFICATION PROVIDED IN THIS ARTICLE VIII COULD INVOLVE INDEMNIFICATION OF A COVERED PERSON FOR THE COVERED PERSON'S OWN NEGLIGENCE OR UNDER THEORIES OF STRICT LIABILITY.

Section 8.2 Indemnification of Officers and Former Officers. The Corporation shall indemnify each person who was or is a respondent or defendant, or threatened to be made a respondent or defendant, in any proceeding, whether or not by or in the right of the Corporation, because such person is or was an officer of the Corporation or, while an officer of the Corporation, is or was serving at the request of the Corporation as a representative of another organization (a "*Covered Officer*," and together with a Covered Director, a "*Covered Person*"), to the same extent that the Corporation may indemnify and advance expenses to a director of the Corporation under the TBOC, and such right to indemnification shall continue as to a person who has ceased to be an officer or representative and shall inure to the benefit of his or her heirs, executors, and administrators. Without limiting the foregoing, the right to indemnification hereunder includes the right to such indemnification if the Covered Officer has met the standard of conduct under Section 8.101(a)(1) of the TBOC. IT IS EXPRESSLY ACKNOWLEDGED THAT THE INDEMNIFICATION PROVIDED IN THIS ARTICLE VIII COULD INVOLVE INDEMNIFICATION OF A COVERED PERSON FOR THE COVERED PERSON'S OWN NEGLIGENCE OR UNDER THEORIES OF STRICT LIABILITY.

Section 8.3 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1 or Section 8.2, as the case may be, a Covered Person shall also have the

right to be paid or reimbursed by the Corporation the reasonable expenses incurred in defending, testifying, or otherwise participating in any such proceeding, in advance of the final disposition of the proceeding (an "*advancement of expenses*") and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that an advancement of expenses incurred by a Covered Person in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of a written affirmation by such person of such person's good-faith belief that he or she has met the standard of conduct necessary for indemnification under the TBOC and a written undertaking (an "*undertaking*"), by or on behalf of such person, to repay all amounts so advanced if it shall be ultimately determined by final judicial decision from which there is no further right to appeal (a "*final adjudication*") that the Covered Person has not met that standard or that indemnification of the Covered Person against expenses incurred by such person in connection with that proceeding is prohibited by the TBOC. The undertaking must be an unlimited general obligation of the Covered Person but need not be secured and shall be accepted by the Corporation without regard to the Covered Person's ability to repay.

Section 8.4 Right of Indemnitee to Bring Suit. If a claim under Section 8.1, Section 8.2, or Section 8.3 is not paid in full by the Corporation within 60 days after a written claim therefore has been received by the Corporation (except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days), the Covered Person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by a Covered Person to enforce a right to an advancement of expenses) it shall be a defense that such Covered Person has not met the applicable standard for indemnification set forth in the TBOC; and (b) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Covered Person has not met any applicable standard for indemnification set forth in the TBOC. Neither the failure of the Corporation (including its directors who are not parties to such action or any committee of such directors) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the TBOC, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action or a committee of such directors) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, shall be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be upon the Corporation.

Section 8.5 Indemnification of Other Persons. This Article VIII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Covered Persons. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to

indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any person who is or was serving at the request of the Corporation as a representative of another organization to the same extent that it may indemnify and advance expenses to Covered Persons under this Article VIII and to any such further extent as may be authorized or permitted by law.

Section 8.6. Appearance as a Witness. To the extent a Covered Person serves as a witness or otherwise participates in any proceeding by reason of being or having been a representative, director, or officer of the Corporation, and serves at the request of the Corporation at a time when the Covered Person is not a defendant or respondent in the proceeding, the Corporation shall pay and reimburse reasonable expenses actually incurred by the Covered Person in connection therewith.

Section 8.7 Non-Exclusivity of Rights. The rights provided to a Covered Person pursuant to this Article VIII shall not be exclusive of any other right that any such person may have or hereafter acquire under any law (common or statutory), provision of the Certificate or these Bylaws, agreement, vote of disinterested directors, or otherwise.

Section 8.8 Insurance and Other Arrangements. The Corporation may, to the extent permitted by law, purchase and maintain insurance, create a trust fund, establish any form of self-insurance (including a contract to indemnify), secure its indemnity obligation by grant of a security interest or other lien on assets of the Corporation, establish a letter of credit guaranty or security arrangement, or establish and maintain any other arrangement (any of the foregoing, an "*arrangement*") on behalf of any person who is or was serving as a director, officer, employee, agent, or volunteer of the Corporation, or is or was serving at the request of the Corporation as a representative of another organization, against any liability asserted against such person and incurred by such person 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 such person against such liability. If the insurance or other arrangement involves self-insurance or is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Corporation would not have the power to indemnify the person only if the insurance or arrangement has been approved by the Board.

Section 8.9 Notification. To the extent required by law, any indemnification of or advancement of expenses to a director or officer by the Corporation shall be reported in writing to the Board with or before the notice or waiver of notice of the next meeting of the Board or with or before the next submission thereto of a consent to action without a meeting and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 8.10 Amendments. Any repeal or amendment of this Article VIII by the Board or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VIII, shall, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any

act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

Section 8.11 Contract Rights. The rights provided to Covered Persons pursuant to this Article VIII shall be contract rights and such rights shall continue as to a Covered Person who has ceased to be a director, officer, agent, employee, or volunteer and shall inure to the benefit of the Covered Person's heirs, executors, and administrators.

Section 8.12 Certain Limitations. If at any time the Corporation is deemed to be a private foundation within the meaning of Section 509 of the Code, then, during such time, no payment shall be made under this Article VIII if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in Section 4941(d) or 4945(d), respectively, of the Code. Moreover, the Corporation shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Code Section 4958 or any other provision of the Code applicable to corporations described in Code Section 501(c)(3).

Section 8.13 Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal, or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

ARTICLE IX OPERATIONS

Section 9.1 Execution of Documents. Unless specifically authorized by the Board or as otherwise required by law, all contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the President, or such other person designated by the Board, pursuant to the general authorization of the Board or in accordance with any of its directives. All conveyances of land by deed shall be signed by the President and must be approved by a resolution of the Board.

Section 9.2 Disbursement of Funds. Funds of the Corporation shall be disbursed in accordance with the actions of the Board, including under general authorizations included in its approved Procurement Policy, Signature Authority and "Policy on Policy" directives. In all other transactions, the President and staff may disburse the funds of the Corporation in accordance with the annual budget approved by the Board and in furtherance of the purposes of the Corporation as set forth in the Certificate, these Bylaws, and any resolution authorizing the disbursement of funds.

Section 9.3 Records and Reports.

(a) The Corporation shall maintain current and accurate financial records in accordance with generally accepted accounting principles. Based on these records, the Board

shall annually prepare or approve a financial report for the Corporation for the preceding fiscal year. The annual report shall comply with Section 22.352 of the TBOC.

(b) The Corporation shall keep at its principal place of business correct and complete records, books, and annual reports of the Corporation's financial activity, and also keep minutes of the proceedings of the Board and committee meetings. The Corporation shall keep at its principal place of business the original or a copy of its Bylaws, including amendments to date certified by the Secretary of the Corporation.

Section 9.4 Inspection of Books and Records. Subject to the provisions of Section 22.353 of the TBOC, all books and records of the Corporation shall be made available to the public for inspection and copying at the Corporation's principal place of business during regular business hours.

Section 9.5 Loans to Management. The Corporation will not make any loans to any of its directors or officers.

Section 9.6 Amendments. The Certificate may be amended at any time by a vote of a majority of the directors then in office. These Bylaws may be amended at any time by a vote of a majority of the directors then in office.

Section 9.7 Fiscal Year. The fiscal year for the Corporation shall be October 1 to September 30 in each year.