

**BY LAWS OF THE
RURAL SCHOOLS EDUCATION PROGRAM & SCHOLARSHIP FOUNDATION**

ARTICLE I

1.01 CORPORATE CHARTER AND PROVISIONS

The Corporation Charter declares this to be a non-membership corporation.

1.02 ADDRESS OF THE REGISTERED AGENT

The address of the registered agent provided on the Articles of Incorporation, as duly filed with the Secretary of State in the State of Texas is: **100 N. Ochoa, Suite A, El Paso, Texas 79901**

The name of the registered agent of the Corporation at such address, as set forth in the Articles of Incorporation, is: **Rural Schools Education Program & Scholarship Foundation**

The registered agent's office may be changed by filing appropriate documents with the Secretary of State, and not otherwise. Such filing shall be made promptly with each change.

Arrangements for each change in registered agent or office shall insure that the Corporation is not exposed to the possibility of default judgement.

Each successive registered agent shall be of reliable character and well informed of the necessity for immediately furnishing the papers of any lawsuit against the Corporation to its attorneys.

1.03 OFFICE OF THE CORPORATION ADDRESS

The address of the initial business office of the Corporation shall be:
100 N. Ochoa, Suite A, El Paso, Texas 79901

The Corporation may have additional business offices within the State of Texas, and where it may be duly qualified to do business outside of Texas, as the Board of Directors may from time to time designate or as the business of the Corporation may require.

1.04 AMENDMENTS OF THE BY LAWS

The Board of Directors may alter, amend, and repeal these By Laws, and adopt new By Laws. All such By Law changes shall take effect upon adoption by the Directors, by a vote of **two-thirds** in favor thereof.

ARTICLE II

2.01 ACTION BY CONSENT OF BOARD WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, and shall have the same force and effect as a unanimous vote of Directors, if all members of the Board consent in writing to the action. Such consent may be given individually or collectively. Board decisions may also be reached without meeting by use of written ballots or electronic mail ballots which shall itemize the action to be taken and the time by which the ballot must be returned. Either the Board President or Executive Committee may direct that such ballots be sent via postal mail or electronic mail to the members.

2.02 PLACE OF MEETING

Meetings of the Board of Directors shall be held at the business offices of the Corporation or such other places within the State of Texas as may be designated by the Board.

2.03 REGULAR MEETINGS

Regular Meetings of the Board of Directors shall be held monthly, without call or notice, a minimum of six times per year.

2.04 CALLING A SPECIAL MEETING

Special Meetings of the Board of Directors for any purpose may be called at any time by the President of the Foundation or, if said President is absent or unable or refuses to act, by any Vice President or any two Directors.

Written notice of the special meeting stating the time and place of the meeting shall be electronically mailed or personally delivered so as to be received by each Director no later than 10 days before the date appointed for the meeting. Notice of the meetings need not indicate any agenda. Generally, a tentatively will be included, but the meeting shall not be confined to any agenda included without notice. Directors shall confirm attendance at least 48 hours prior to the start of the meeting via electronic mail or telephone to the Executive Director of the Foundation.

Meetings provided for By Laws shall not be invalid for lack of notice if all personal entitled to notice are present at the meeting and do not object to the notice given or if such persons consent to the meeting in writing. Such consent may be given either before or after a meeting.

Upon providing notice, the Secretary or other officers sending notice shall sign and file in the Corporate Book a statement of details notifying each Director. If no such notice is found in the Corporate Record Book, due notice shall be presumed.

2.05 QUORUM

The presence at any Directors meeting of a majority of the authorized number of Directors shall constitute a quorum to transact any business. If a quorum is present, every act done or resolution passed by majority of Directors present shall be the act of the Board of Directors.

2.06 CONDUCT THE MEETING

At every meeting of the Board of Directors, the President of the Board of Directors, of such person designated by the majority to chair the meeting, will preside over the meeting. The Secretary of the Corporation shall act as Secretary of the Board of Directors. When the Secretary is absent from any meeting, the President may appoint a person to serve as the Secretary for that meeting.

2.07 POWERS OF THE BOARD OF DIRECTORS

The business and affairs of the Corporation and all corporate powers shall be exercised by or under the authority of the Board of Directors, subject to limitation imposed by law, the Articles of Incorporation, or the By Laws.

2.08 NUMBER OF DIRECTORS

The number of Directors of the Corporation shall be **5 (five)**. Residency in Texas is a precondition to serving as Director. The number of Directors may be increased or decreased from time to time by amendment to the By Laws.

Superintendents of partnering ISDs may serve as Ex-Officio members of the Board of Directors and shall have no voting privileges.

2.09 HONORARY BOARD MEMBERS

The Board of Directors may appoint "Honorary" board members as deemed necessary to actively promote the solicitation of contributions for the purpose of endowing the Foundation and funding scholarships to be awarded to graduates of partnering ISDs.

The Honorary board member shall serve a term of three years. Honorary board members may be nominated by any current board member at any regular board meeting. The nomination must be placed on the meeting agenda at least one week prior to the regular meeting. The Honorary board member shall be elected by a majority of the members present at the meeting.

2.10 BOARD MEMBER ATTENDANCE

All Directors must attend all regular monthly board meetings. Telephonic attendance at regular board meetings will be restricted to two meetings per fiscal year. Directors shall confirm their attendance at least 48 hours prior to the meeting via electronic mail or telephone to the Executive Director of the Foundation. Telephonic attendance must be requested to the Executive Director of the Foundation not less than 48 hours prior to the start of the meeting, provided the meeting is held in a facility with conference call capabilities.

Attendance at the annual scholarship selection meeting is mandatory. Any Director who is not present for more than one scholarship selection meeting during a given three year term shall be grounds for removal for cause as described in Section 2.12 of the By Laws.

2.11 TERM OF OFFICE

The Directors shall be entitled to hold office until their successors are elected. The term of office shall begin immediately after their election to the board. All Directors elected to fill a vacancy shall take office immediately following election to the Board.

When a vacancy arises, the membership committee chair shall commence the sixty day nomination process. The membership chair shall request Board Members to submit nominations to the membership committee. The membership committee shall review and evaluate nominations and make recommendations to the Board of Directors at the next regular Board meeting.

The Directors shall serve a term of three years. The terms of the Directors shall be staggered.

2.12 REMOVAL OF DIRECTORS

Any Directors may be removed at any time by vote of two-thirds of the members of the Board of Directors.

Any Director who is not present for three consecutive meetings is automatically deemed to have resigned. Any Director wishing to challenge the automatic resignation must show good cause in order to be reinstated. The matter of what constitutes good cause shall be determined in the sole discretion of a committee called by the President.

2.13 REMOVAL FOR CAUSE

Any Director of the Board of Directors may be removed at any time for cause by a majority of the Directors meeting for the purpose of such removal. Notice of proposed removal for cause must be given to the Directors 30 days prior to the scheduling of a special meeting for that purpose. Such notice shall include any violation of law, a breach of any fiduciary duty to the Corporation, or the Director's failure to disclose an interest in any transaction approved by the Board on which s/he voted.

2.14 VACANCIES

Vacancies on the Board shall exist upon the occurrence of any of the following events: (a) The death, resignation, or removal of any Director; or (b) an increase in the authorized number of Directors.

2.15 DECLARATION OF VACANCY

The Board of Directors may declare vacant the office of a Director (a) if adjudged incompetent by a Court order, (b) if convicted of crime involving moral turpitude; or (c) fails to accept the office of Director, in writing or by attending a meeting of the Board of Directors, within 30 days of receipt of the notice of selection.

2.16 COMPENSATION

Directors and Officers shall **not** be compensated for their services as Directors.

2.17 INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Board of Directors may authorize the Corporation to pay or reimburse any present or former Director or officer of the Corporation any costs or expenses actually and necessarily incurred by that Officer in an action, suit, or proceeding to which the Officer is made a party by reason of holding the position provided, however, that no Officer shall receive such indemnification if finally adjudicated therein of being liable of the negligence or misconduct in office.

2.18 INSURING DIRECTORS, OFFICERS, AND EMPLOYEES

The Corporation may purchase and maintain insurance on behalf of any Director, Officer, Employee, or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Director, Officer, Employee, or agent of another corporation, partnership, joint-venture, trust, or other enterprise, against any liability asserted against that person incurred by that person in any such Corporation, whether or not the Corporation has a part to identify that person against liability for any of those acts.

ARTICLE III OFFICERS

3.01 TITLE AND APPOINTMENT

There may be a Liaison to the Foundation to be appointed by the Superintendent of partnering ISDs. The Liaison of the Corporation may not be a member of the Board of Directors.

3.02 REMOVAL OF OFFICERS

The Liaison of the Foundation may be removed with or without cause by consent of the partnering ISD Superintendent at any time. Such removal shall be without prejudice to contract rights, if any, of the person removed.

Any officer may resign at any time by giving written notice to the President of the Board of Directors. Any resignation shall take effect upon the date of receipt of the notice or at any later date as specified therein, and, unless specified therein, the acceptance of the resignation shall not be necessary to become effective.

3.03 COMPENSATION

The Liaison of the Corporation may receive such compensation as may be fixed from time to time by the Board of Directors, and no Officer shall receive a salary by reason of the fact that he is a Director of the Corporation and an Officer.

3.04 BOARD OFFICES AND TERMS

The Board shall have a President, Vice President/Development, Vice President/Finance, Secretary, and Treasurer, and such additional officers as it may determine. No one person may occupy both the position of Secretary and Treasurer. Each Board Officer shall serve a term of two years or until their successor is elected. **The President, Secretary, and Treasurer shall constitute the Executive Committee, and will meet at the discretion of the President.**

3.05 ELECTION OF BOARD OF DIRECTORS

The Board of Directors shall elect Board Officers every two years at the regular Board meeting in May. Nominations will be submitted from the floor.

ARTICLE IV
AUTHORITY TO EXECUTE DOCUMENTS

4.01 NO AUTHORITY WAIVER WITHOUT SPECIFIC AUTHORIZATION

These By Laws provide certain authority for the execution of instruments. The Directors of the Corporation may additionally authorize any Officer or Officers or Agents to enter into any contract or execute and deliver any instruments in the name of or on behalf of the Corporation, and such authority may be general or confined to specific instances. Such delegated authority must be in writing. Unless expressly authorized, no Officer, Agent, or employee of the Corporation shall have any power or authority to bind the Corporation by any contract or engagement nor pledge its credit nor to render it peculiarly liable for any purpose for any amount.

4.02 EXECUTION OF CERTAIN INSTRUMENTS

Formal contracts of the Corporation, promissory notes, deeds, deeds of trust, mortgages, pledges, and other evidence of indebtedness of the Corporation, other corporate documents, and certificates of ownership of liquid assets held by the Corporation shall be signed or endorsed by the President, unless otherwise specifically determined by the Board of Directors or otherwise required by law.

ARTICLE V
CORPORATE RECORDS AND FISCAL YEAR

5.01 MINUTES OF THE CORPORATE MEETINGS

The Corporation shall keep at the Office of the Registered Agent or such other place as the Board of Directors may order, a book recording the minutes of all its meetings of the Directors, with the time and place of each meeting, whether such meeting was regular or special, a copy of the notice given on such meeting, or of written waiver thereof, and if it is a special meeting how the meeting was authorized. The record book shall further show the names of those present at the Directors' meeting and the proceedings of all meetings.

5.02 BOOKKEEPING PROCEDURES

The Corporation shall maintain correct and adequate accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus, if any. The corporate bookkeeping procedures shall conform to accepted principles for non-profit corporations.

5.03 FISCAL YEAR

The fiscal year of the Corporation shall be July 1 through June 30 of each year.

5.04 NON-PROFIT STATUS

The Chairman of the Board and/or Chief Executive Officer are directed immediately upon the adoption of these By Laws to secure an opinion from the Internal Revenue Service that the Foundation is qualified as a tax exempt organization.

**BY-LAWS APPROVED BY TWO-THIRDS OF THE DIRECTORS OF THE RURAL SCHOOLS
EDUCATION PROGRAM AND SCHOLARSHIP FOUNDATION BOARD OF DIRECTORS AT A
MEETING DULY CALLED FOR THAT PURPOSE ON THE 19TH DAY OF OCTOBER 2016.**